

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 968.
FILED, SEPTEMBER 19th. 1963.

SEP 30 1963

SALEM EXPLORATION LIMITED (No Personal Liability)

Full corporate name or Company
Incorporated under The Quebec Mining Companies Act by Letters
Patent dated January 17th 1947

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 879.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Proposed underwriting and option agreement on shares of the capital stock of the Company.										
2. Head office address and any other office address.	Head Office: Suite 914, 1155 Dorchester Blvd. West, Montreal. Executive Office: Suite 1024, 85 Richmond St. West, Toronto.										
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<table> <tr> <td>President and Director</td><td>Colin Carne Hooper, 14 Montclair Ave., Toronto, Ontario, Real Estate Salesman.</td></tr> <tr> <td>Vice-President and Director</td><td>Clarence Morgan Smith, 29 Duggan Ave., Toronto, Ontario, Retired.</td></tr> <tr> <td>Secretary-Treasurer and Director</td><td>Sam Taylor, F.C.I.S., 2 Strathallan Blvd., Toronto, Ontario, Chartered Secretary.</td></tr> <tr> <td>Director</td><td>Thomas Foster Barnet, 633 Raglan St., Renfrew, Ontario, Executive.</td></tr> <tr> <td>Director</td><td>William Richard Henderson, 103 Avenue Road, Toronto, Ontario, Executive.</td></tr> </table>	President and Director	Colin Carne Hooper, 14 Montclair Ave., Toronto, Ontario, Real Estate Salesman.	Vice-President and Director	Clarence Morgan Smith, 29 Duggan Ave., Toronto, Ontario, Retired.	Secretary-Treasurer and Director	Sam Taylor, F.C.I.S., 2 Strathallan Blvd., Toronto, Ontario, Chartered Secretary.	Director	Thomas Foster Barnet, 633 Raglan St., Renfrew, Ontario, Executive.	Director	William Richard Henderson, 103 Avenue Road, Toronto, Ontario, Executive.
President and Director	Colin Carne Hooper, 14 Montclair Ave., Toronto, Ontario, Real Estate Salesman.										
Vice-President and Director	Clarence Morgan Smith, 29 Duggan Ave., Toronto, Ontario, Retired.										
Secretary-Treasurer and Director	Sam Taylor, F.C.I.S., 2 Strathallan Blvd., Toronto, Ontario, Chartered Secretary.										
Director	Thomas Foster Barnet, 633 Raglan St., Renfrew, Ontario, Executive.										
Director	William Richard Henderson, 103 Avenue Road, Toronto, Ontario, Executive.										
4. Share capitalization showing authorized and issued and outstanding capital.	The Company has an authorized capital of 5,000,000 shares of the par value of \$1.00 per share of which there are issued, outstanding and fully paid 1,367,010 shares.										
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.										
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By Agreement dated September 10th, 1963, Draper Dobie & Company Ltd., 25 Adelaide St. West, Toronto, Ontario, have agreed to purchase on behalf of the client referred to in Item 7. hereof 100,000 shares of the capital stock of the Company at 40¢ per share, payable forthwith upon acceptance by the Toronto and Canadian Stock Exchanges of a Filing Statement and by the Quebec Securities Commission of an Amendment to the Prospectus of the Company reflecting the terms of this Agreement; whichever date is latest being hereinafter referred to as the "effective date". In consideration of such purchase the Company has agreed to grant to the Underwriter options to purchase a further 400,000 shares of its capital stock, being 100,000 shares at 40¢, 200,000 shares at 45¢ and 100,000 shares at 50¢ per share, payable within 3, 6 and 9 months, respectively, of the effective date. As part consideration for the acquisition of certain mining claims the Company granted to Paul Martin, Malartic, Quebec, an option to purchase 20,000 shares of its capital stock at the price of 45¢ per share exercisable on or before the 10th day of April, 1964.										
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Draper Dobie & Company Ltd. has entered into the Underwriting and Option Agreement referred to in item 6. hereof, on behalf of Cobra Investments Limited, 103 Avenue Rd., Toronto, Ontario. The only person holding a greater than 5% interest in Cobra Investments Limited is W. R. Henderson, 103 Avenue Rd., Toronto, a director of the Company.										
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.										
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to spend the proceeds received from the sale of treasury shares in a program of exploration on its mining claims owned outright and under option in Scoble Township, Ontario. No further expenditure of the Company funds will be made other than for routine general administrative expenses or as stated herein unless particulars of same have been filed with the Toronto and Canadian Stock Exchanges.										

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ONARIO PARTNERS

R. B. McPHEDRONS	M. A. MAPS
N. E. CRATE	C. W. FERRISBORN
T. M. CHAMBER	M. P. CUMMINGS
L. W. TRUMBULL	E. P. RUSSELL
T. J. BANE	J. L. DAYBORN
W. C. CARRIE	C. H. SPRY
W. B. WELDON	E. G. BARR
J. W. LAIR	J. H. SAUNDERS
J. B. POWSON	J. M. MULHOLLAND
W. A. BRADSHAW	O. G. HAIG
B. B. STAPFELL	A. B. SHEPARD
G. H. GORELY	W. H. MOORE

GALT	KITCHENER	LONDON
WINNIPEG	CALGARY	EDMONTON
VANCOUVER	MONTREAL	HALIFAX
SAINT JOHN	NASSAU, BAHAMAS	

TORONTO

KITCHENER LONDON
CALGARY EDMONTON
MONTREAL HALIFAX
NASSAU, BAHAMAS

SUITE 902
111 RICHMOND STREET WEST
TORONTO 1, ONT

To the Directors of
Salem Exploration Limited
(No Personal Liability):

We did not perform an audit of the accounts and accordingly are not in a position to express an opinion on these financial statements.

Toronto, Canada,
September 9, 1963.

Shorne, Mulholland, Howson & McPherson
Chartered Accountants

SALEM EXPLORATION LIMITED

BALANCE SHEET

August 31, 1963

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- ASSETS -

Cash	4,271.39	
Sundry advances and deposits	<u>1,034.79</u>	5,306.18
Equipment, at cost		319.25
Mining claims and options, at the consideration given thereof consisting of 250,000 shares of capital stock valued at 11¢ per share and \$2,640.00 cash (note 1)		30,140.00
Deferred charges:		
Exploration and development	15,865.42	
Administration	<u>9,194.47</u>	<u>25,059.89</u>
		<u>\$60,825.32</u>

- LIABILITIES -

Accounts payable and accrued expenses	3,571.04
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- SHAREHOLDERS' EQUITY -

Capital stock (notes 2 and 3):	
Authorized, 5,000,000 shares, par value \$1.00 each	
Issued, 1,367,010 shares	1,367,010.00
<u>Less</u> Discount thereon	<u>1,138,063.87</u>
	228,946.13
Deficit	<u>171,691.85</u>
	<u>57,254.28</u>
	\$60,825.32

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board.

... Col. P. H. H. H. Director. ... H. J. H. H. Director

This is the balance sheet referred to in our comments to the directors dated September 9, 1963.

Thorne, Mulholland, Howson & M'Pherson
Chartered Accountants

SALEM EXPLORATION LIMITED
(No Personal Liability)

NOTES TO FINANCIAL STATEMENT

Eight months ended August 31, 1963

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1. By agreement dated May 15, 1963 the company acquired an option to purchase eight patented mining claims and four unpatented mining claims in the Township of Scoble, District of Thunder Bay, Province of Ontario, exercisable up to May 15, 1965 as follows:

- (a) By paying the sum of \$50,000.00 as follows:

Upon execution of the agreement.	1,000.00 (paid)
On or before November 15, 1963	1,500.00
On or before May 15, 1964.	2,500.00
On or before May 15, 1965.	45,000.00

- (b) By reserving to the optionor a royalty of 10% of the net smelter returns from the minerals mined or recovered from the claims. This royalty may be committed at the option of either party, after payment of the cash consideration referred to in (a) above, by the issue to the optionor of 200,000 shares of the company's capital stock.

2. By Supplementary Letters Patent dated March 20, 1963, the 7,627,500 shares of \$1.00 par value then issued and outstanding were decreased to 1,017,000 shares by the cancellation pro rata of 6,610,500 shares, thus reducing the authorized capital of the company to 3,389,500 shares; the authorized share capital of the company was then increased to 5,000,000 shares by the creation of 1,610,500 additional shares. The amount of \$1,016,834.82, being the net reduction in dollar value resulting from the cancellation of the above mentioned shares, was credited to contributed surplus account and then applied against deficit. The presently issued capital stock is constituted as follows:

	No. of shares and par value	Discount	Net consideration
Shares issued prior to Supplementary Letters patent dated March 20, 1963:			
For cash	5,710,834	4,729,229.65	981,604.35
For mining claim since abandoned	<u>1,916,666</u>	<u>1,724,999.40</u>	<u>191,666.60</u>
	7,627,500	6,454,229.05	1,173,270.95
Cancelled by Supplementary Letters Patent	<u>6,610,500</u>	<u>5,593,665.18</u>	<u>1,016,834.82</u>
Balance remaining after issue of Supplementary Letters Patent	1,017,000	860,563.87	156,436.13
Shares subsequently issued:			
For cash	100,010	55,000.00	45,010.00
For mining claims	<u>250,000</u>	<u>222,500.00</u>	<u>27,500.00</u>
Balance of issued shares outstanding, August 31, 1963.	<u>1,367,010</u>	<u>\$1,138,063.87</u>	<u>\$228,946.13</u>

SALEM EXPLORATION LIMITED
(No Personal Liability)

NOTES TO FINANCIAL STATEMENT (Continued)

Eight months ended August 31, 1963

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3. An option is presently outstanding covering 20,000 shares of the company's capital stock at 45¢ per share, exercisable on or before April 10, 1964.

SALEM EXPLORATION LIMITED
(No Personal Liability)

STATEMENT OF DEFERRED CHARGES

Eight months ended August 31, 1963

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<u>Exploration and development:</u>	
Assays	587.00
Consulting fees and expenses	2,269.52
Diamond drilling	4,300.00
Equipment rental	235.00
Geophysical survey	2,267.92
Recording fees	445.75
Supervision and wages	3,942.01
Supplies	974.35
Travel and transportation	769.78
Miscellaneous	74.09
	15,865.42
<u>Administration:</u>	
Directors' fees	375.00
Government fees and taxes	275.00
Head office service	1,500.00
Legal and audit	468.40
Listing	300.00
Printing and stationery	240.74
Shareholders' information and publicity	730.18
Shareholders' meeting expenses	1,566.08
Telephone and telegraph	131.55
Travel	1,234.52
Transfer agent's fees and expenses	2,290.25
Miscellaneous	82.75
	9,194.47
<u>Deferred charges at end of period</u>	<u>\$25,059.89</u>

SALEM EXPLORATION LIMITED
(No Personal Liability)

STATEMENT OF DEFICIT

Eight months ended August 31, 1963

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Deficit at beginning of period	1,176,588.11
<u>Deduct</u> Contributed surplus arising from reorganization, transferred to deficit (note 2)	<u>1,016,834.82</u>
	159,753.29
<u>Add</u> Reorganization expenses written off	<u>11,938.56</u>
<u>Deficit at end of period</u>	<u>\$171,691.85</u>

SALEM EXPLORATION LIMITED
(No Personal Liability)

SUMMARY OF CHANGES IN FINANCIAL POSITION

Eight months ended August 31, 1963

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	August 31, 1963	December 31, 1962	Variation
Cash	4,271.39	1,386.68	2,884.71
Sundry advances and deposits	1,034.79		1,034.79
	5,306.18	1,386.68	3,919.50
Accounts payable and accrued expenses	3,571.04	4,703.84	1,132.80
Working capital (deficiency)	1,735.14	(3,317.16)	5,052.30
Equipment	319.25		319.25
Mining claims and option	30,140.00		30,140.00
Deferred charges	25,059.89		25,059.89
<u>Shareholders' equity (excess of deficit over capital stock)</u>	<u>\$57,254.28</u>	<u>(\$3,317.16)</u>	<u>\$60,571.44</u>
Represented by:			
Capital stock (net)	228,946.13	1,173,270.95	
Deficit	171,691.85	1,176,588.11	
	<u>\$57,254.28</u>	<u>(\$3,317.16)</u>	

The improvement in working capital position, amounting to \$5,052.30 as shown above, is the result of the following factors:

<u>Funds made available:</u>	
Proceeds from sale of capital stock	45,010.00
<u>Funds applied:</u>	
Deferred charges:	
Exploration and development	15,865.42
Administration	9,194.47
	25,059.89
Purchase of equipment	319.25
Payments on account of mining claims and option	2,640.00
Reorganization expenses written off to deficit	11,938.56
	39,957.70
<u>Resulting improvement in working capital position</u>	<u>\$5,052.30</u>

FINANCIAL STATEMENTS

SALEM EXPLORATION LIMITED
(No Personal Liability)
Incorporated under the laws of Quebec

Balance Sheet

May 31, 1964
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- ASSETS -

Current assets:		
Cash	2,553.67	
Advance	1,524.43	4,078.10
Fixed assets:		
Equipment, at cost	950.85	
Mining claims and option, at the consideration given therefor consisting of 250,000 shares of capital stock valued at 11¢ per share, 200,000 shares valued at 20¢ per share and \$19,518.35 cash	87,018.35	87,969.20
Deferred charges:		
Exploration and development	62,578.52	
Administration	36,066.74	98,645.26
		\$190,692.56

- LIABILITIES -

Current liabilities:		
Accounts payable and accrued expenses		5,428.43

- SHAREHOLDERS' EQUITY -

Capital stock:			
Authorized, 5,000,000 shares, par value \$1.00 each			
Issued:	No. of Shares and par value	Discount	Net
Balance, December 31, 1963	1,492,010	1,213,063.87	278,946.13
Issued during period:			
For cash	95,000	56,000.00	39,000.00
For mining claims	200,000	160,000.00	40,000.00
Balance, May 31, 1964	1,787,010	\$1,429,063.87	357,946.13
Deficit		172,682.00	185,264.13
			\$190,692.56

Approved on behalf of the Board.

John C. Hager Director. *Charles* Director.

This is the balance sheet referred to in our comments to the directors dated June 19, 1964 and should be read in conjunction therewith.

Thorne, Mulholland, Howson & McPherson
Chartered Accountants

SALEM EXPLORATION LIMITED
(No Personal Liability)

Statement of Deferred Charges

Five months ended May 31, 1964

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Exploration and development:		
Balance at beginning of period	42,401.58	
Assays	211.50	
Consulting fees and expenses	1,550.11	
Diamond drilling	12,504.67	
Equipment rental	641.62	
Geophysical survey	954.58	
Line cutting	470.00	
Recording fees and licenses	87.00	
Supervision and wages	2,759.69	
Supplies	123.48	
Travel and transportation	874.29	62,578.52

Administration:		
Balance at beginning of period	24,059.77	
Directors' fees	500.00	
Government fees and taxes	625.00	
Head office services	1,500.00	
Legal and audit	2,039.80	
Office rent	600.00	
Printing and stationery	70.88	
Shareholders' information and publicity	564.08	
Shareholders' meeting expenses	1,833.66	
Stock exchange expenses	628.02	
Telephone and telegraph	1,121.42	
Travel	2,530.37	
Transfer agent's fees and expenses	(22.26)	
Miscellaneous	16.00	36,066.74

Deferred charges at end of period	\$98,645.26
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SALEM EXPLORATION LIMITED
(No Personal Liability)

Statement of Deficit

Five months ended May 31, 1964

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Deficit at beginning of period	171,691.85
Add Option on claims, written off	1,000.00
	172,691.85
Deduct Profit on sale of investments	9.85
Deficit at end of period	\$172,682.00

SALEM EXPLORATION LIMITED
(No Personal Liability)

Summary of Changes in Financial Position

Five months ended May 31, 1964

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	May 31, 1964	December 31, 1963	Variation
Current assets:			
Cash	2,553.67	18,371.36	(15,817.69)
Advance	1,524.43	19.65	1,504.78
	4,078.10	18,391.01	(14,312.91)
Current liabilities:			
Accounts payable and accrued expenses	5,428.43	12,927.68	7,499.25
Working capital (deficiency)	(1,350.33)	5,463.33	(6,813.66)
Fixed assets:			
Equipment	950.85	319.25	631.60
Mining claims and options	87,018.35	35,010.35	52,008.00
Deferred charges	98,645.26	66,461.35	32,183.91
	186,614.46	101,790.95	84,823.51
Shareholders' equity	\$185,264.13	\$107,254.28	78,009.85
Represented by:			
Capital stock	1,787,010.00	1,492,010.00	
Discount on capital stock	(1,429,063.87)	(1,213,063.87)	
Deficit	(172,682.00)	(171,691.85)	
	\$185,264.13	\$107,254.28	

The impairment of the working capital position, amounting to \$6,813.66 as shown above, is the result of the following factors:

Funds applied:		
Deferred charges:		
Exploration and development	20,176.94	
Administration	12,006.97	32,183.91
Purchase of equipment		631.60
Payments on mining claims and options		13,008.00
Purchase of investments		10,758.20
		56,581.71
Funds made available:		
Cash proceeds from sale of capital stock		39,000.00
Proceeds from sale of investments		10,768.05
		49,768.05
Resulting impairment of working capital position		\$6,813.66

THORNE, MULHOLLAND, HOWSON & MCPHERSON

CHARTERED ACCOUNTANTS

TORONTO

GALT KITCHENER LONDON
KINGSTON VANCOUVER CALGARY
EDMONTON WINNIPEG MONTREAL
SAINT JOHN MONCTON HALIFAX
NASSAU, BAHAMAS

SUITE 902
111 RICHMOND STREET WEST
TORONTO 1, ONT.

ACCOUNTANTS' COMMENTS

To the Directors of
Salem Exploration Limited
(No Personal Liability):

The accompanying balance sheet of Salem Exploration Limited (No Personal Liability) as at May 31, 1964 and the statements of deferred charges, deficit and summary of changes in financial position for the five months ended on that date have been prepared by us from the books and records of the company and from information given to us.

We did not perform an audit of the accounts and accordingly are not in a position to express an opinion on these financial statements.

Toronto, Canada,
June 19, 1964.

Thorne, Mulholland, Howson & McPherson
Chartered Accountants

PERMISSION TO PUBLISH EXCERPTS FROM THIS REPORT OR REFERENCES THERETO, WITH MENTION OF OUR NAME, IS WITHHELD UNTIL THE FORM AND SUBSTANCE OF SUCH EXCERPTS OR REFERENCES ARE APPROVED BY US

ENGINEER'S REPORT

Note - The following are excerpts from a report by C.W. Moore, B.Sc., P.Eng., dated June 22nd, 1964, on the mining claims located in Mahaffy Township, Porcupine Mining District, Province of Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

R E P O R T O N

WINCHESTER EXPLORATION LIMITED'S

- and -

SALEM EXPLORATION LIMITED'S

MAHAFFY TOWNSHIP PROPERTY,

PORCUPINE MINING DISTRICT, ONTARIO.

F O R E W O R D:

It will be noticed during the reading of this report that the term "general area" is used quite often.

As this is a rather vague term without giving further details concerning the actual area involved, it should be known that it comprises a rectangular block of ground roughly thirty (30) miles long in an east-west direction and that it stretches for a distance of from six (6) to thirty (30) miles north of the mining centre of Timmins, Ontario.

This area is composed of about twenty townships as shown on the location map which accompanies the report.

On looking at this map it will be seen that the area which it covers is mainly to the south and east of Mahaffy Township on which the Companies' claims are located. This is where most of the current claim staking activity is going on.

This area has come into the mine exploration limelight very recently due to Texas Gulf Sulphur Company's major ore discovery in Kidd Township announced in mid April of this year.

C O N C L U S I O N A N D R E C O M M E N D A T I O N S:

The very recent major ore discovery in Kidd Township some twelve miles north of Timmins has created intense interest in this general area and has precipitated one of the largest claim staking rushes in modern times.

As a very large portion of this area is overburden covered, prospecting through the years has met mainly with discouragement until hopes were again raised with the Texas Gulf ore discovery.

In these times, field exploration work has the advantage over the old time prospecting of newly developed methods of probing under the obscuring mantle of overburden by means of geophysical and geochemical surveying.

In recent years the Dominion Government Geological Survey has covered this area with airborne magnetometer surveys. These have given clues in the form of magnetic anomalies. It was during the probing of such anomalies that the Texas Gulf ore find was made.

Three such anomalies, two "highs" and a "low" are present on the Salem and Winchester Mahaffy Township property.

It is recommended that a detailed ground combined magnetometer and electromagnetic survey be carried out on this

property. These surveys should give valuable additional geophysical data that will, in all likelihood aid in determining the possible cause of these anomalies. Should these follow-up surveys show anomalous situations that are considered sufficiently encouraging to warrant further probing by diamond drilling, then a preliminary programme of diamond drilling should be embarked upon without delay.

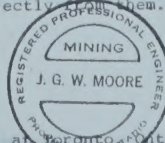
If a programme of geochemical (soil sampling) surveying is contemplated, it is suggested that prior to this, a series of hammer-seismograph tests be carried out to get some idea of the depth of overburden on the property. Excessively deep overburden could well rule out such soil sampling. However, if the overburden is not too deep, such geochemical surveying is considered to be well warranted.

It is recommended that an initial sum of Fifteen Thousand Dollars (\$15,000) be made available for exploration work, designated as Phase 1. Phase 1 will consist of line cutting, magnetic and electromagnetic surveys and geological mapping. Depending on the results of Phase 1, a further sum of Fifteen Thousand Dollars (\$15,000) may be made available for checking any interesting areas that may be found and exploratory drilling. The cost of these programmes will be borne by both Winchester and Salem on a 50-50 basis.

C E R T I F I C A T E

I, GORDON W. MOORE, do hereby certify:

1. That I am a Mining Engineer practising as such with my office at Suite 1905, 7 King Street East, Toronto, Ontario, in which City I also reside.
2. That I am a graduate of Nova Scotia Technical College, Halifax, Nova Scotia - Bachelor of Science in Mining Engineering in 1927.
3. That I am a member of the Association of Professional Engineers of the Province of Ontario.
4. That I have practised Mining Engineering, specializing in field exploration, continuously since graduation, with the exception of the years 1941-5 when I served as an Armament Officer in the R.C.A.F.
5. That I have prepared a report on the Salem Mahaffy Township Claim Group, Porcupine Mining District, Ontario.
6. That this report is not based on a visit to the property.
7. That this report is based on a perusal of various Ontario Department of Mines Reports and Maps as listed under "Bibliography" in this report, also on figures concerning the Kam-Kotia Mine operation from the Northern Miner's Canadian Mines Handbook.
8. That this report is also based on a perusal of aeromagnetic maps of the general area, including the claim group, also of aerial photographs of the area obtained from the Ontario Lands and Forests Department.
9. That I have no interest either directly or indirectly in the properties or securities of Salem Exploration Limited, nor do I expect to receive any interest either directly or indirectly from them.



Gordon W. Moore
GORDON W. MOORE, B.Sc., P.Eng.,
Consulting Mining Engineer.

Dated at ~~Porcupine~~ Timmins, Ontario,
this 22nd day of June, 1964.

SUMMARY REPORT

Note - The following are excerpts from a summary report by G.W. Moore, B.Sc., P.Eng., dated April 10th, 1964, on mining claims located in the Provinces of Ontario And Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

SALEM EXPLORATION LIMITED

SUMMARY REPORT ON THE

VARIOUS SALEM PROPERTIES IN ONTARIO AND QUEBEC

FROM START OF FIELD OPERATIONS MARCH 1963

UP TO PRESENT TIME APRIL 10th, 1964.

QUEBEC PROPERTIES:

A. THE PAUL MARTIN CLAIM GROUP, MALARTIC TOWNSHIP, QUEBEC:

PROPERTY AND LOCATION:

This consists of 600 acres covering Lots 20 and 21 inclusive in Range III in the form of mining claims Nos. C 200721, 200776 - 7 inclusive, each for claims 1 and 2 in Malartic Township.

The east boundary is approximately one-third of a mile west of the Rouyn-Malartic highway and the property is three miles north of the town of Malartic, Province of Quebec.

HISTORY:

In 1928 Grover Daly Mines held part of this property and did "considerable trenching and a little drilling". A grab sample of quartz and greywacke well mineralized with arsenopyrite from one trench is reported to have assayed 0.14 ozd silver and 0.4 ozs. in gold.

In 1945 Independent Mining Corporation held a large block of ground including this property. They conducted a geo-magnetic survey and carried out some diamond drilling, but the drilling was outside of the ground presently held by Salem.

Very little other work is known to have been carried out in this area.

Diorite is the most important intrusive in that orebodies found in it are higher grade than ore found in other types of rock.

MAGNETOMETER SURVEY:

A magnetometer survey was run for Salem over the northern 40% of the property by C. T. Bischoff in March, 1963, and, as a result of this survey, Mr. Bischoff recommended that diamond drilling be done in areas where the survey indicated the possibility of acid intrusives being present and he stated in his report that he considered these sections excellent targets for diamond drilling.

DIAMOND DRILLING:

Accordingly, Salem organized a diamond drilling programme to follow out Mr. Bischoff's recommendations and this was carried out in April and May, 1963, under the supervision of Resident Engineer, Don S. Morra. Three holes were drilled for a total footage of 1551. Two of the holes intersected bodies of diorite but only very minor quartz and pyrite mineralization were encountered. Assays of the better mineralized sections failed to show any gold values. Due to the negative results of these three holes, it was decided to discontinue drilling, at least temporarily, on the property.

GEOLOGICAL MAPPING:

While the diamond drilling was in progress, the Resident

Engineer mapped the entire six claim ground going over the more geologically favourable north half of the group in some detail. No recommendations for future drilling have yet been made as a result of this work. Sufficient assessment work has now been done by Salem on this claim group to keep them in good standing until December 13th, 1967.

B. THE CADILLAC CLAIM GROUP, LA PAUSE AND BOUSQUET TOWNSHIPS:

HISTORY:

Probably because of the scarcity of rock outcrops in this area, very little field exploration work is known to have been done in this vicinity. It is reported that a resistivity survey was carried out on Lac Chassignolle many years ago but no diamond drilling is known to have been done. The west end of this lake is covered by about 18 claims of this group.

WORK PROGRAMME:

It is planned to commence almost immediately a programme of geophysical (magnetometer and electro-magnetic) surveys covering the entire property. Work will commence on that portion of the claims covered by Chassignolle Lake in order to obtain that information while the ice is still present. Dr. Wilson will act as Geophysical Consultant in the interpretation of the work. Should the anomalous conditions shown by the airborne magnetometer survey be further enhanced by the ground geophysical work, a drill programme will have to be planned for the near future.

ONTARIO PROPERTIES:

A. SCOBLE TOWNSHIP: THE RABBIT MOUNTAIN CLAIM GROUP:

PROPERTY AND LOCATION:

1. The original property consisted of eight (8) patented and four (4) unpatented claims, namely, TB 9820, 27054 and 5, 42881, 44081 and 2, 64759 and 64906 (8 claims), and TB 105885, 105483 and 4, and 107117 (4 claims), all located in Scoble Township, District of Thunder Bay. These are located some fourteen miles west-southwest of Fort William.

2. In July, 1963, Salem decided to stake additional claims immediately south of the abovementioned twelve-claim group so forty-one (41) claims were duly staked and recorded for the Company. These are TB 107819 - 39 inclusive, 107950, 107953 - 57 inclusive, 107962 and 3, and 107968 - 79 inclusive.

HISTORY:

The Thunder Bay District has a long history of rich silver deposits dating back to the mid 1800's. The largest mine was Silver Islet where over \$3,500,000.00 worth of silver ore was produced from 1868 to 1913.

Other smaller silver mines including the Silver Mountain, Beaver, Badger, Rabbit Mountain, Thunder Bay, Shumah and Jarvis, produced over \$1,500,000.00 worth of silver ore up to 1913.

The Rabbit Mountain mine was discovered about 1882 by an Indian named Tchiatang, and is reported to have produced in excess of 50,000 ounces of silver up to 1887.

Some of the pockets of silver ore were reported to run 1,000 ounces of silver to the ton.

There have been sporadic operations at the Rabbit Mountain mine for short periods since 1890 but no substantial amount of ore is reported to have been mined.

DIAMOND DRILLING:

At this stage the anomalies on claim 27055 were considered of sufficient interest to warrant further exploration by diamond drilling. Taking into consideration the stronger geochemical anomalies and Dr. Oja's suggestions of possible fault locations which could well be the source of these anomalies, a series of six drill holes were planned to cross section a 10,000 foot long part of the southwest part of claim 27055 and on to claim 107831 where Dr. Oja suggested two faults could cross.

This drilling, unfortunately, produced negative results in that no signs of faulting such as brecciation, shearing, etc. were seen in the core. It was then decided to move about 1,000 feet to the east on to claim 107831 where there is a strongly anomalous situation both in zinc and silver running up a narrow valley which suggested its cause was a north-northwest striking fault. Two holes were drilled to cross this valley and the holes were continued to pass under a large talus slope at the base of a diabase cliff. Here again as in the former holes, only solid slaty sediments were encountered and no signs of faulting were observed.

It was decided at this point to discontinue drilling at least until additional information regarding the surface anomalies and fault location was obtained.

This drilling was done between October 17th and November 7th, 1963. Eight holes were drilled for a total footage of 2744'.

A few short x-ray drill holes were put down near the old Rabbit Mountain Mine in September, 1963, to explore the possibility of unstoped ore remaining in the upper part of the mine but nothing of much interest was found and most holes ran into underground workings not known to exist according to old maps of the mine.

CONCLUSION AND RECOMMENDATIONS:

Despite the fact that the exploratory drilling done by Salem gave negative results, it was only possible to probe by this drilling a very small area and the source of the strong geochemical anomalies remains a mystery.

There are quite a few fairly strong anomalies on the twelve optioned claims that remain unexplored in any way. In addition, the forty-one claim group staked in early 1963 remains virtually untouched.

Stream sediment geochemical sampling done on many stream beds in the general area showed a number of anomalous situations apparently extending on to the southern part of the forty-one-claim group. This certainly warrants further investigation.

It is suggested that further reconnaissance soil sampling be carried out over the entire forty-one claim group followed up by more detailed soil sampling of any anomalous areas that may be found.

It is also recommended that further investigation be carried out in an attempt to discover the source of the strong geochemical anomalies present on the twelve-claim optioned group and the anomaly

which continues south on to claim 107831 across which two holes were drilled by Salem in 1963.

B. GILLIES TOWNSHIP: THE FRANK CLAIM GROUP:

PROPERTY AND LOCATION:

The Frank claim group consists of sixteen (16) unpatented claims, namely Nos. TB 107934 to 107948 inclusive, and No. TB 107952. The claims are located in the north-central part of Gillies Township, Thunder Bay District and are about twenty (20) miles west-southwest of Fort William.

The claims are readily accessible from Fort William via the Trans Canada Highway and then the Silver Mountain Highway. The latter highway passes through the property.

HISTORY:

The general history of this area is given earlier in this report under the Rabbit Mountain claim group.

The Climax property which adjoins the Frank claim group to the northeast is reported to have shipped 500,000 ounces of silver in cobbled high grade ore. This came from the following mines on the Climax property: The Porcupine, Keystone, Y-1, West Beaver, and the Silver Creek.

Many of the reports of the silver mines in this particular area indicate strong possibilities of ore remaining in the old workings and there may well be rich silver lodes as yet unfound along the extensions of the faults carrying the lodes that have been mined.

GEOCHEMICAL SURVEYING:

No work has been done to date by Salem on this claim group and it is doubtful if any real effort has been made in past years to explore the property. There is now the advantage of newly developed ore finding techniques.

Geophysical survey methods have proven unsuccessful in locating and tracing such sparsely mineralized veins. Recent experiments, however, carried out in different parts of this area using geochemical soil sampling methods, have produced what are considered by the writer to be encouraging results.

It has been noted over the years that sphalerite (zinc sulphide) is the mineral most commonly present in the silver enriched sections of the veins. Some anomalies quite high in zinc values have been outlined in preliminary reconnaissance soil sampling surveys and some of these areas have also been shown to contain interestingly high silver values in the soil.

To date, however, in this area no veins or ore zones of possible economic importance have been uncovered as a result of this work. It is felt that such methods of exploration are still very much in their infancy and that further more detailed application of such soil sampling methods may well lead to discoveries of important bodies of silver ore in the large overburden covered areas in the vicinity of the many old silver mines known to occur in this area.

FOREWORD:

Occurrences of amygdaloidal lava, most of them known to be "float" rather than actual outcrops, have been reportedly found over the years in different parts of the general Cloud Lake area. It has been noted that this lava is very similar to that of Keewanaw Point on the south shore of Lake Superior where the largest native copper mines in the world are located.

Old Provincial and Federal Geological Reports show that, since about 1880, the presence of a sizeable occurrence of amygdaloidal lava carrying very interesting native copper mineralization has been known. This occurs on a westerly sloping hillside in the northwest corner of Crooks Township. Evidently, very few engineers or geologists have examined this lava occurrence in past years probably for the following reasons:-

1. Geological maps of the general area southwest of the Lakehead do not indicate the presence "in place" of any such amygdaloidal lava.
2. The large lava occurrence in the northwest corner of Crooks Township is extremely hard to find without a guide to lead one directly to it.
3. The ground on which this lava is located has been held for many years in the estate of a Lakehead lumberman.

In mid-November, 1963, a search of the property titles in that area by Salem employees revealed that the ground on which this lava occurred was open for staking. Salem, therefore, during the period November, 1963, to January, 1964, has acquired eighty-six (86) mining claims by staking, option or outright purchase as listed under "Property" later in this report.

CONCLUSION AND RECOMMENDATIONS:

Due to the lateness of the season when the ground was acquired by Salem, very little preliminary field exploration of the claims was possible before the snow arrived.

A small amount of geochemistry (soil sampling) was done before the ground froze and about one hundred (100) samples were taken in the vicinity of the main lava occurrence. It was found that the Holman field soil sampling cold extraction test for copper did not work in the case of native copper so the samples were assayed by hot extraction in Toronto. These results are now at hand, and while these results are inconclusive, they seem to show some anomalous assay values from 5 to 12 times background especially immediately south of the lava mound for a distance of about 70 feet.

It was decided to explore and sample the main lava occurrence by a series of short diamond drill holes paying special attention to core recovery due to the shattered condition of the rock. Accordingly, eleven short holes were drilled in December, 1963, for a total of 437 feet. These holes were mostly drilled at a flat angle across the lava mound. Two holes near the north end of the mound got very interesting native copper intersections described later in this report. All the lava core recovered showed some copper to be present although, except for the aforementioned two holes, assays of core from the other holes only ran from about 0.03% to .15% in copper. It is hoped that the fact that all the lava contained some copper may be of some interesting significance.

Seeing that the depth of overburden in this area is not known and that no rock outcrops have yet been found on the property for at least $\frac{1}{4}$ of a mile from the main lava occurrence, it is felt that some geophysical tests for depth of overburden should be carried out before any effort is made to check by diamond drilling the possibility of such lava occurring in place under this widespread mantle of overburden.

It is recommended that a series of geophysical overburden depth tests be made starting at the main lava occurrence and testing on a two to four hundred foot interval grid spacing depending on the results obtained in the first few tests and as the tests proceed.

It is suggested that this work be followed up by probing the rock underlying this overburden by means of a series of shallow vertical diamond drill holes drilled on a similar grid pattern. The spacing of this grid would also depend on the results of the first few holes.

It is further suggested that a careful search be made over the entire Salem property and its vicinity for all lava boulders and other rocks of Keewanawan age such as reportedly found by Dr. A. P. Coleman in this area in 1900 as quoted later in this report. This work should be supervised by an experienced geologist preferably one who is well versed in glacialogy.

HISTORY:

According to old records mainly found in the Ontario Bureau of Mines reports, interest was first awakened in this particular area by the discovery about 1880 of a large lump or possible outcrop of amygdaloidal lava which is mineralized with native copper usually occurring as filling the visicles (or holes) in the lava. This discovery was made by a man named Ambrose Syrette.

Syrette evidently sank two shallow pits 10' to 15' deep on this mound. Geologist, Dr. A. P. Coleman, in an Ontario Bureau of Mines report for the year 1900, described his visit to this lava occurrence in part, as follows:

"The rock is undoubtedly amygdaloid very like that of Keewanaw Point and contains small specks of native copper as well as red and green earthy minerals containing copper. *** In spite of its shattered condition the amygdaloid appears to be in place and it is at least 30-40 feet thick, the lower part being buried under a talus sloping down towards the creek. We walked more than a mile along a ridge which seems to be the continuation of the hill where the openings were made but saw no more rock in place although boulders of the amygdaloid, of the spotted diabase and red sandstone, all very much like the rocks of the Michigan copper region, were found here and there along the way.

There seems no doubt that a considerable band of Keewanawan rock, to some extent at least copper bearing, exists a mile or two southeast of Cloud Lake; but it is much more easily weathered than the neighbouring Animikie rocks and so is mostly hidden under debris. Whether any parts of the band contain enough copper to be mined at a profit cannot be determined until much more development work has been done."

Very little further work is known to have been done on this lava exposure since that time. It is reported that a little blasting was done in the pits about 10-12 years ago. The writer has also been told that a company Geologist spent a week or ten days in this area about that time. According to reports, this man was discouraged by not being able to find more mineralized lava outcrops in this vicinity and so did not make a really thorough search of the area.

The writer was first shown this lava occurrence in early October, 1963. Only about one hour was spent examining the two pits and taking samples of the material on their walls. The visit will be described later in this report. In the wall of the north pit in addition to lava well mineralized with native copper occurring as filling in the maygdules, we dug out of the broken lava large "blobs" or "chunks" of native copper of all sizes up to the size of one's fist. There was also some scattered malachite stain and a little native copper seen, especially in the northeast corner of the south pit.

The writer was sufficiently impressed with what he saw on his first brief visit to the lava occurrence to recommend that more detailed examination of this prospect be carried out and that some preliminary soil sampling be done in the immediate vicinity.

While this preliminary exploratory work was being done, Salem decided to stake the ground that was open in the vicinity of this lava occurrence. This was done in November, 1963.

In December, 1963, further probing of the native copper zone and the rest of the lava occurrence was done by Salem by drilling a series of short diamond drill holes. This drilling will be discussed later in the report under "Diamond Drilling".

DIAMOND DRILLING:

As mentioned earlier in this report under "History", it was decided to examine this lava occurrence more thoroughly and sample the native copper zone by means of a series of short diamond drill holes.

In December, 1963, eleven short holes were drilled for a total footage of 437 feet.

Two of these holes, Nos. NC-4 and 5 were drilled at shallow dips so as to sample the main copper zone. Both holes encountered very good native copper mineralization with hole NC-4 cutting chunks of native copper up to 1" diameter as well as the finer amygdule filling of copper and finely disseminated specks of copper.

The assay results of these two holes are as follows:

Hole No.	Depth	Feet	% Cu	Oss. Ag
NC-4	20.0 - 25.0	5.0	20.5	0.75
"	25.0 - 27.0	2.0	0.07	
"	27.0 - 29.0	2.0	0.03	
"	29.0 - 34.0	5.0	0.07	
NC-4	34.0 - 36.0	2.0	0.05	
"	36.0 - 40.0	4.0	0.05	
NC-5	20.5 - 25.0	4.5	8.05	0.21
"	25.0 - 27.0	2.0	0.20	
"	27.0 - 30.0	3.0	0.06	
"	30.0 - 40.0	10.0	0.06	

The other holes were mainly quite flat dipping outside of holes

NC-1 to 3 which were 40 to 60° dip and encountered mainly overburden.

It is of interest to note that all holes carried some copper in the core with no "nile" or "traces" being received from the assays and few .01's or 0.02's. Hole 9 got 0.14 over five feet and hole 11 got 0.11 over five feet. The sludge from the bottom hole 11 from 30 to 39 feet is also interesting as it ran 0.13% Cu over five feet followed up by 0.14% over four feet. It is my belief that the drillers incorrectly reported this part of hole 11 having broken into overburden.

The drilling proved that this mound did not consist of a group of large boulders but rather of a substantial continuous piece of lava at least 100 feet long by 40 feet wide and 10 to 15 feet thick. Whether it is close to bedrock or whether the bedrock under it is also lava has yet to be determined.

A series of geophysical tests were carried out in late January, 1964, using the seismic method to determine the depth of the overburden in this immediate area before searching for the source of the lava mound by means of more diamond drilling.

This survey was carried out by the Hunting Survey Corporation Limited and it showed the overburden depth to be generally quite shallow varying between 15 and 30 feet.

Ten shallow diamond drill holes were then drilled on a grid at usually 400 foot intervals for a total footage of 1150'. This drilling was done in February, 1964, and covered an area roughly 1500 feet long by 1000 feet wide, radiating from the large piece of lava float. This drilling was somewhat disappointing in that the source of the lava float was not determined but valuable structural information concerning the diabase-sediment contact was obtained which showed this contact to be dipping quite flatly and to occur at a shallow depth in the holes.

It was not considered advisable at this time, to probe further for the source of the lava float although it still may not be too far away.

The next step considered to be the wisest move is to conduct a very detailed search for any other lava boulders on the claims. This will be done as soon as the snow has gone and pace and Compass traverses will be run to and fro across the claims by three or four men spaced about 100 feet apart and all data obtained will be plotted on overlays on enlarged aerial photographs of the area on a scale of 1" = 400 feet. The services of Dr. A. Dreimanis, a glaciologist of note, and Professor of Geology at Western University, have been obtained to investigate the probable ice movement of the lava boulders. Dr Dreimanis' services will only be available from May 27th to June 2nd, and so we are hoping to cover as much of the Salem property as possible in our search for lava and other boulders before that time.

POSSIBLE MAGNETOMETER SURVEY:

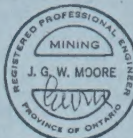
Very recently Dr. H. O. Siegel has conducted some magnetic susceptibility tests on drill core samples of amygdaloidal lava from the Salem lava occurrence and of Animikie slates and shales from the Salem Rabbit Mountain property. Dr. Siegel found that the volcanic samples are appreciably magnetic and the sediments are not.

It may, therefore, be possible through using a magnetometer survey to define the volcanic areas magnetically providing diabase is not present in place. It is considered that magnetometer may be useful in outlining and following the lava especially providing the first diamond drill holes encounter such lava bedrock.

Respectfully Submitted,

Gordon W Moore
GORDON W. MOORE, B.Sc., P.Eng.,
Consulting Mining Engineer.

Toronto, Ontario,
April 10th, 1964.



CERTIFICATE.

I, GORDON W. MOORE, do hereby certify:

1. That I am a Mining Engineer practising as such with my office at Suite 1905, 7 King Street East, Toronto, Ontario, in which City I also reside.

2. That I am a graduate of the Nova Scotia Technical College, Halifax, Nova Scotia with the degree Bachelor of Applied Science in Mining Engineering, 1927.

3. That I am a member of the Association of Professional Engineers of Ontario.

4. That I have carried out the practice of Mining Engineering, specializing in field exploration, continuously since that date with the exception of the years 1941 to 1945 when I served as Armament Officer in the Royal Canadian Air Force.

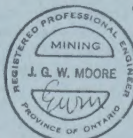
5. That I have visited many times and supervised the work on the Rabbit Mountain and Crooks Township claim groups during the period covered by this report but have not visited the Frank Property, nor the Paul Martin and Cadillac properties in Quebec.

6. That this report is also based on a study of reports and maps on these properties in the various areas. At the Rabbit Mountain and Crooks Township properties I supervised the exploration programme carried out in 1963-4, which included extensive soil sampling and prospecting followed up by some diamond drilling.

7. That I have no interest either directly or indirectly in the properties or securities of Salem Exploration Limited, nor do I expect any interest either directly or indirectly from them.

Gordon W Moore
GORDON W. MOORE, B.Sc., P. Eng.,
Consulting Mining Engineer.

DATED at Toronto,
this 10th day of
April, 1964.



An APPENDIX

TO REPORT ON VARIOUS SALEM PROPERTIES by G. W. MOORE

Dated April 10th, 1964

Cost Estimate of Work Programs Recommended in this Report

1. QUEBEC PROPERTIES

A. Paul Martin Claims Group No work recommended.

B. Cadillac Claim Group

Work recommended (Salem's share 50% of total).
Magnetometer and Electromagnetic Survey
(includes picket line cutting). 1/2 of \$5000.00 = \$2500.00
Possible follow-up diamond drilling \$
3000 @ \$5. = \$15,000.00 = \$7500.00
Total Salem share - \$10000.00

2. ONTARIO PROPERTIES

A. Scoble Township Claims Group

Work recommended on all 41 claims
Picket line cutting \$2,000.00
Preliminary soil sampling 3,000.00
Possible detailed soil sampling 1,000.00
Total - \$6,000.00

B. Gillies Twp. Claim Group

Work recommended on all 16 claims.
Picket line cutting & soil sampling \$2,000.00

C. Crooks Township Cloud Lake Property

Work recommended on parts of 86 claim group.

(a) Overburden depth testing
Geophysical survey \$1,000.00
Diamond drilling 8,000.00
(b) Detailed lava boulder search 2,500.00
(c) Glaciologist's fee 1,000.00
(d) Miscellaneous expense 2,500.00
Total - \$15,000.00

June 5th, 1964

Gordon W Moore
Gordon W. Moore, B.S.C., P. Eng.
Consulting Mining Engineer
Ramada Inn, 404 N. Freeway
Tucson, Arizona U. S. A.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	N/A												
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	The Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario, holds in escrow 425,000 shares of the capital stock of the Company subject to release pro rata to the persons entitled thereto upon the written consent of the Quebec Securities Commission, the Canadian Stock Exchange, and the Board of Directors of the Company, and subject to transfer, hypothecation or any form of alienation within the escrow only upon the written consent of the Quebec Securities Commission. In addition, the release from escrow of 365,000 of these shares is subject to the written consent of the Toronto Stock Exchange.												
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Paul Martin, Malartic, P.Q. is the beneficial owner of 225,000 of the escrowed shares referred to in Item 13 above, which shares are registered in the name of Guaranty Trust Co. of Canada. John H. Kenney, 55 Broadway Ave., Toronto, Ont. is the beneficial owner of the remaining 200,000 escrowed shares referred to in Item 13 above.												
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <td>Guaranty Trust Company of Canada 366 Bay Street, Toronto, Ont.</td><td>225,000 (escrowed)</td></tr> <tr> <td>John H. Kenney 55 Broadway Ave., Toronto, Ont.</td><td>200,000 (escrowed)</td></tr> <tr> <td>William Richard Henderson 103 Avenue Road, Toronto, Ont.</td><td>105,501</td></tr> <tr> <td>James Richardson and Sons Ltd. Royal Bank Building, Toronto, Ont.</td><td>73,053</td></tr> <tr> <td>Miss E. Edwards 69 Princess Margaret Blvd. Islington, Ont.</td><td>40,363</td></tr> <tr> <td>Draper Dobie & Company Ltd. 25 Adelaide Street West, Toronto, Ont.</td><td>49,887</td></tr> </table> The beneficial ownership of the above shares is not known to the signatories hereto, save and except those in the name of Guaranty Trust Company of Canada are owned by Paul Martin, Malartic, P.Q.	Guaranty Trust Company of Canada 366 Bay Street, Toronto, Ont.	225,000 (escrowed)	John H. Kenney 55 Broadway Ave., Toronto, Ont.	200,000 (escrowed)	William Richard Henderson 103 Avenue Road, Toronto, Ont.	105,501	James Richardson and Sons Ltd. Royal Bank Building, Toronto, Ont.	73,053	Miss E. Edwards 69 Princess Margaret Blvd. Islington, Ont.	40,363	Draper Dobie & Company Ltd. 25 Adelaide Street West, Toronto, Ont.	49,887
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William Richard Henderson 103 Avenue Road, Toronto, Ont.	105,501												
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Miss E. Edwards 69 Princess Margaret Blvd. Islington, Ont.	40,363												
Draper Dobie & Company Ltd. 25 Adelaide Street West, Toronto, Ont.	49,887												
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The Board of Directors by solicitation of proxies are in a position to materially affect control of the Company.												
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns no shares or other securities of other companies.												
18. Brief statement of any lawsuits pending or in process against company or its properties.	None												
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no other contracts entered into by the Company which are not disclosed in the foregoing.												
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. Shares taken down and paid for pursuant to the underwriting and option agreement referred to in Item 6 hereof will be in the course of primary distribution.												

CERTIFICATE OF THE COMPANY

DATED June 23, 1964.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"W.R. Henderson"

Per: [Signature]

CORPORATE
SEAL

"S. Taylor"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

"G.W. Gooderham"

Per: [Signature]

DRAPER DOBIE & COMPANY LTD.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1267.
FILED, FEBRUARY 25th. 1965.

SALEM EXPLORATION LIMITED (No Personal Liability)

Full corporate name of Company
Incorporated under the Quebec Mining Companies Act
by Letters Patent dated January 17th, 1947

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous
Filing Statement No. 1138.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	a) Change in effective control. b) Change in the Board of Directors. c) Change in the Executive Office.																														
2. Head office address and any other office address.	Head office - Suite 914, 1155 Dorchester Blvd.W., Montreal, P.Q. Executive office - It is proposed that the Executive Office be removed to 9th Fl., 83 University Ave., Toronto.																														
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	The present Officers and Directors of the Company are as follows: <table><tr><td>President & Director</td><td>William Richard Henderson 153 St. George Street Toronto, Ontario</td><td>Executive</td></tr><tr><td>Director</td><td>Thomas Foster Barnet 633 Raglan Street Renfrew, Ontario</td><td>Executive</td></tr><tr><td>Director</td><td>H. Duncan McLaren 142 Collier Street Toronto, Ontario</td><td>Executive</td></tr><tr><td>Director</td><td>O. John Shore 7 King Street East Toronto, Ontario</td><td>Chartered Accountant</td></tr><tr><td>Secretary-Treasurer</td><td>Rodney J. Holbrook 40 Council Crescent Downsview, Ontario</td><td>Legal Clerk</td></tr></table> Upon acceptance of this Filing Statement by the Toronto and Canadian Stock Exchanges, the following persons will comprise the Directors and Officers of the Company, namely: <table><tr><td>President & Director</td><td>Steven Low 7 York Ridge Road, Willowdale, Ontario</td><td>Mining Executive</td></tr><tr><td>Vice-President & Director</td><td>Wilfred A. Curtis, Jr. 8 Lafayette Place Thornhill, Ontario</td><td>Insurance Executive</td></tr><tr><td>Secretary-Treasurer & Director</td><td>Hector Hugh Colgan 39 Rossburn Drive Etobicoke, Ontario</td><td>Corporate Secretary</td></tr><tr><td>Director</td><td>Lorne B. Halladay, 65 Broadway Avenue Toronto, Ontario</td><td>Mining Engineer</td></tr><tr><td>Director</td><td>Rosalyn Thorpe, 88 Edith Drive, Toronto, Ontario.</td><td>Secretary</td></tr></table>	President & Director	William Richard Henderson 153 St. George Street Toronto, Ontario	Executive	Director	Thomas Foster Barnet 633 Raglan Street Renfrew, Ontario	Executive	Director	H. Duncan McLaren 142 Collier Street Toronto, Ontario	Executive	Director	O. John Shore 7 King Street East Toronto, Ontario	Chartered Accountant	Secretary-Treasurer	Rodney J. Holbrook 40 Council Crescent Downsview, Ontario	Legal Clerk	President & Director	Steven Low 7 York Ridge Road, Willowdale, Ontario	Mining Executive	Vice-President & Director	Wilfred A. Curtis, Jr. 8 Lafayette Place Thornhill, Ontario	Insurance Executive	Secretary-Treasurer & Director	Hector Hugh Colgan 39 Rossburn Drive Etobicoke, Ontario	Corporate Secretary	Director	Lorne B. Halladay, 65 Broadway Avenue Toronto, Ontario	Mining Engineer	Director	Rosalyn Thorpe, 88 Edith Drive, Toronto, Ontario.	Secretary
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Director	Rosalyn Thorpe, 88 Edith Drive, Toronto, Ontario.	Secretary																													

4. Share capitalization showing authorized and issued and outstanding capital.	The Company has an authorized capital of 5,000,000 shares of the par value of \$1.00 each of which there are issued, outstanding and fully paid, 1,937,010 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	The underwriting and option agreement dated June 18th, 1964, between the Company and Draper Dobie & Company Ltd., acting as agent of clients, has been terminated and the entire commitment of 150,000 shares at \$50 per share having been taken down and paid for thereunder. There are no underwriting or option agreements outstanding at the present time.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Subject to acceptance of this Filing Statement by the Toronto and Canadian Stock Exchanges, the new controlling interests will re-assess the existing development programme and advise the regulatory bodies concerned of their evaluation of the situation and proposed plans.
10. Brief statement of company's chief development work during past year.	The Company during the past year has completed a programme of diamond drilling on its Crooks Township claims, Province of Ontario, a geochemical survey and diamond drilling on its Scoble Township claims, Province of Ontario, and a geophysical survey and diamond drilling on its Malartic, Province of Quebec claims. Since June 1964, a magnetometer survey and an electromagnetic survey have been performed on the Mahaffy claims, Ontario, together with a magnetometer and electromagnetic survey on the Bousquet and La Pause property, Province of Quebec. The latter work was completed in conjunction with Winchester Exploration Limited, the joint optionee. No work was performed on the Company's other properties.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	The Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario, holds in escrow 425,000 shares of the capital stock of the Company subject to release pro rata to the persons entitled thereto upon the written consent of the Quebec Securities Commission, the Toronto and Canadian Stock Exchanges, and the Board of Directors of the Company, and subject to transfer, hypothecation or any form of alienation within the escrow only upon the written consent of the Quebec Securities Commission.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See item 15 hereof.

THORNE, MULHOLLAND, HOWSON & McPHERSON

CHARTERED ACCOUNTANTS

TORONTO

OFFICES IN CANADA

GALT	KITCHENER	LONDON
KINGSTON	VANCOUVER	CALGARY
EDMONTON	WINNIPEG	MONTREAL
HALIFAX	SAINT JOHN	MONCTON

OFFICES OUTSIDE CANADA

NASSAU, BAHAMAS
BRIDGETOWN, BARBADOS

SUITE 902
111 RICHMOND STREET WEST
TORONTO 1, ONT.

ACCOUNTANTS' COMMENTS

To the Directors of
Salem Exploration Limited
(No Personal Liability):

The accompanying balance sheet of Salem Exploration Limited (No Personal Liability) as at February 15, 1965 and the statements of deferred charges, deficit and summary of changes in financial position for the period from January 1, 1964 to February 15, 1965 have been prepared by us from the books and records of the company and from information given to us. However, notes applicable to this financial statement have been omitted.

We did not perform an audit of the accounts and accordingly are not in a position to express an opinion on these financial statements.

Toronto, Canada,
February 19, 1965.

Thorne, Mulholland, Howson & McPherson
Chartered Accountants

PERMISSION TO PUBLISH EXCERPTS FROM THIS REPORT OR REFERENCES THERETO, WITH MENTION OF OUR NAME, IS WITHHELD UNTIL THE FORM AND SUBSTANCE OF SUCH EXCERPTS OR REFERENCES ARE APPROVED BY US

FINANCIAL STATEMENTS

SALEM EXPLORATION LIMITED
(No Personal Liability)
Incorporated under the laws of Quebec

BALANCE SHEET

February 15, 1965

-0-

- ASSETS -

Current assets:

Cash.	24,671.78	
Advance	<u>1,735.39</u>	26,407.17

Fixed assets:

Equipment, at cost.	950.85	
Mining claims and option, at the consideration given therefor consisting of 250,000 shares of capital stock valued at 11¢ per share, 200,000 shares valued at 20¢ per share and \$20,768.35 cash	<u>88,268.35</u>	89,219.20

Deferred charges:

Exploration and development	82,864.67	
Administration.	<u>39,322.05</u>	<u>122,186.72</u>
		<u>\$237,813.09</u>

- LIABILITIES -

Current liabilities:

Account payable	48.96
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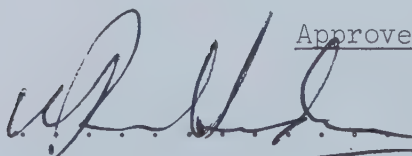
- SHAREHOLDERS' EQUITY -

Capital stock:

Authorized, 5,000,000 shares, par value \$1.00 each
Issued:

	<u>No. of shares and par value</u>	<u>Discount</u>	<u>Net</u>
Balance, January 1, 1964	1,492,010	1,213,063.87	278,946.13
Issued during period:			
For cash.	245,000	153,500.00	91,500.00
For mining claims	<u>200,000</u>	<u>160,000.00</u>	<u>40,000.00</u>
	<u>1,937,010</u>	<u>1,526,563.87</u>	410,446.13
<u>Deficit</u>		<u>172,682.00</u>	<u>237,764.13</u>
			<u>\$237,813.09</u>

Approved on behalf of the Board.

 Director.	 Director.
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This is the balance sheet referred to in our comments to the directors dated February 19, 1965, and should be read in conjunction therewith.

Thorne, Mulholland, Howson & McPherson
Chartered Accountants

STATEMENT OF DEFICIT

Period from January 1, 1964 to February 15, 1965

-0-

Deficit at beginning of period.	171,691.85	
Add Option on claims, written off	<u>1,000.00</u>	
	172,691.85	
Deduct Profit on sale of investments.	<u>9.85</u>	
<u>Deficit at end of period.</u>		<u>\$172,682.00</u>

STATEMENT OF DEFERRED CHARGES

Period from January 1, 1964 to February 15, 1965

-0-

Exploration and development:

Balance at beginning of period	42,401.58	
Assays	211.50	
Consulting fees and expenses	4,071.28	
Diamond drilling	12,504.67	
Equipment rental	1,152.92	
Geophysical survey	4,044.25	
Line cutting	2,150.00	
Prospecting	2,194.20	
Recording fees and licenses	2,060.60	
Supervision and wages	6,269.03	
Supplies	474.70	
Surveys	954.58	
Telephone and telegraph	1,138.12	
Travel and transportation	3,191.09	
Miscellaneous	46.15	82,864.67

Administration:

Balance at beginning of period	24,059.77	
Directors' fees	675.00	
Government fees and taxes	625.00	
Head office services	2,400.00	
Legal and audit	2,728.30	
Office rent	1,350.00	
Printing and stationery	260.67	
Shareholders' information and publicity	514.08	
Shareholders' meeting expenses	1,838.26	
Stock exchange expenses	1,362.91	
Telephone and telegraph	263.35	
Travel	2,600.30	
Transfer agent's fees and expenses	559.03	
Miscellaneous	85.38	39,322.05

Deferred charges at end of period \$122,186.72

SUMMARY OF CHANGES IN FINANCIAL POSITION

Period from January 1, 1964 to February 15, 1965

-0-

	February 15, 1965	January 1, 1964	Variation
<u>Current assets:</u>			
Cash	24,671.78	18,371.36	6,300.42
Advance	<u>1,735.39</u>	<u>19.65</u>	<u>1,715.74</u>
	26,407.17	18,391.01	8,016.16
<u>Current liabilities:</u>			
Accounts payable and accrued expenses	<u>48.96</u>	<u>12,927.68</u>	<u>12,878.72</u>
<u>Working capital</u>	<u>26,358.21</u>	<u>5,463.33</u>	<u>20,894.88</u>
<u>Fixed assets:</u>			
Equipment	950.85	319.25	631.60
Mining claims and option	88,268.35	35,010.35	53,258.00
<u>Deferred charges</u>	<u>122,186.72</u>	<u>66,461.35</u>	<u>55,725.37</u>
	<u>211,405.92</u>	<u>101,790.95</u>	<u>109,614.97</u>
<u>Shareholders' equity</u>	<u>\$237,764.13</u>	<u>\$107,254.28</u>	<u>\$130,509.85</u>
<u>Represented by:</u>			
Capital stock	1,937,010.00	1,492,010.00	
<u>Less Discount thereon</u>	<u>1,526,563.87</u>	<u>1,213,063.87</u>	
	410,446.13	278,946.13	
<u>Less Deficit</u>	<u>172,682.00</u>	<u>171,691.85</u>	
	<u>\$237,764.13</u>	<u>\$107,254.28</u>	

The increase in working capital, amounting to \$20,894.88 as shown above, is the result of the following factors:

Funds made available:

Cash proceeds from sale of capital stock	91,500.00	
Proceeds from sale of investments	<u>10,768.05</u>	102,268.05

Funds applied:

<u>Deferred charges:</u>		
Exploration and development	40,463.09	
Administration	<u>15,262.28</u>	55,725.37
Purchase of equipment		631.60
Payments on mining claims and option		14,258.00
Purchase of investments		<u>10,758.20</u>
		81,373.17

Resulting increase in working capital \$20,894.88

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Guaranty Trust Company of Canada, 225,000 366 Bay Street, (escrowed) Toronto, Ontario William Richard Henderson, 205,001 153 St. George Street, Toronto, Ontario. John H. Kenney, 200,000 200 Roehampton Ave., Apt. 511, (escrowed) Toronto, Ontario. James Richardson & Sons, 74,662 173 Portage Avenue East Winnipeg, Manitoba. Wills Bickle & Co. Ltd., 54,967 44 King Street West, Toronto, Ontario. The beneficial ownership of the above shares is not known to the signatories hereto, save that those in the name of Guaranty Trust Company of Canada are beneficially owned by W. R. Henderson, 153 St. George Street, Toronto, Ontario. Upon acceptance of the terms of this Filing Statement by the Toronto and Canadian Stock Exchanges, Tuina Enterprises Limited will be the beneficial owner of 425,000 escrowed shares of the capital stock of the Company, which shares are recorded above as currently held by John H. Kenney and Guaranty Trust Company of Canada. The only person having a greater than 5% interest in Tuina Enterprises Limited is Steven Low, 7 York Ridge Road, Willowdale, Ontario.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Upon the acquisition of the 425,000 escrowed shares, Tuina Enterprises Limited by voting these shares, together with those proxies solicited by the new Board of Directors will be in a position to materially affect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None.
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The following property option agreement is outstanding: 1. By agreement dated April 3, 1964 an undivided 50% interest with Winchester Exploration Limited, Ste. 600, 250 University Avenue, Toronto, Ontario in an option to purchase 99 unpatented mining claims in Bousquet and La Pause Townships, Province of Quebec, from Michael Zurowski, 299 Holmes Avenue, Willowdale, Ontario. The sum of \$2,500.00 has been paid to date in maintaining the option and the following option payments are currently outstanding: (i) \$7,500.00 on or before July 15th, 1965; (ii) \$7,500.00 on or before July 15th, 1966; (iii) 200,000 shares of the allowed vendor consideration of the capital stock of a corporation to be incorporated by and at the sole discretion of the optionee for the purpose of acquiring the mining claims as allowed by any governmental or regulatory body having jurisdiction on or before July 15th, 1967.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	By Agreement dated February 22nd, 1965, Tuina Enterprises Limited acquired from Messrs. John H. Kenney and William Richard Henderson the 425,000 escrowed shares of the capital stock of the Company for a cash consideration, which represents effective control of the Company. There are no other material facts. No shares of the capital stock of the Company are in the course of primary distribution to the public.

DATED Feb. 23, 1965.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"W. R. Henderson" per

SALEM EXPLORATION LIMITED

CORPORATE
SEAL

"O. J. Shore"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1433.
FILED, APRIL 28th, 1966.

SALEM EXPLORATION LIMITED (No Personal Liability)

Full corporate name of Company

Incorporated January 17, 1947 under the laws of Quebec

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous Filing Statement No. 1267 and Amending Filing Statement No. 274.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	1. Staking of claims in Falcon Lake area -- see Item 19(d) hereof. 2. Joint venture agreements with Keevil Mining Group Limited, one relating to a group of claims in Abbotsford and Adair Townships, Ontario, and the other relating to a group of claims in Abbotsford and Singer Townships, Ontario - see items 19(e) and 19(f) hereof. 3. The Company proposes to cause the incorporation of a successor company in the Province of Ontario, under the name Agena Mining Company Limited, or such other name as may be acceptable to the Lieutenant-Governor of the Province and the Toronto Stock Exchange, with an authorized capital of \$5,000,000 divided into 5,000,000 shares of the par value of \$1 per share. The Company then proposes, subject to the approval of shareholders to be obtained at a meeting called for that purpose, to transfer to Agena all its assets and undertaking, the consideration for which shall be the assumption of all its liabilities by Agena and the issuance of 2,840,0 common shares of Agena, which shall be distributed to the shareholders of Salem on a share for share exchange basis. Application will be made for the listing of shares of Agena in substitution for the shares of Salem.
2. Head office address and any other office address.	Head Office - Suite 914, 1155 Dorchester Blvd. West, Montreal, Quebec. Executive Office - 9th floor, 88 University Avenue, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Director - Steven Low, 7 York Ridge Road, Willowdale; Mining Executive; Vice-President and Director - Wilfred A. Curtis, Jr., 8 Lafayette Place, Thornhill; Insurance Executive; Secretary-Treasurer and Director - Gordon Winemaker, 82 Cassandra Blvd., Apt. 1, Don Mills, Chartered Accountant; Director - Rosalyn Thorpe, 88 Edith Drive, Toronto, Secretary. NOTE: Gordon Winemaker was appointed a Director and Secretary-Treasurer of the Company to replace Hector Hugh Colgan, the former Secretary-Treasurer and a Director, on the 5th day of April, 1966.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 5,000,000 shares par value \$1.00 Issued - 2,840,010 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Under an underwriting and option agreement dated March 15th, 1965, Jenkin Evans & CO. Limited, 360 Bay Street, Toronto, holds an option to purchase 97,000 shares in the capital stock of the Company at the price of 40 cents per share on or before June 22nd, 1966.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Jenkin Evans & Co. Limited holds the aforesaid option on behalf of its client, Tuina Enterprises Limited, 88 University Avenue, Toronto, a Company wholly owned by Steven Low, 7 York Ridge Road, Willowdale.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company and Keevil Mining Group Limited, under the agreement described in item 19 hereof, are presently drilling on properties in Abbotsford Township, Adair Township and Singer Township, all in Ontario. The Company also intends to perform geophysical work on a 72-claim group in Earngey Township, Red Lake Mining Division of Ontario, and on a 158-claim group in the Falcon Lake Area of Ontario and Manitoba.

10. Brief statement of company's chief development work during past year.	After an assessment of the exploration work carried out in 1964 by previous management on the following properties: Crooks Township, Ontario; Scoble and Gillies Townships, Ontario; Malartic Township, Quebec; Bousquet and La Pause Townships, Quebec (held under option); and Mahaffy Township, Ontario, all the above properties were abandoned with the exception of the Mahaffy Township claims in which the company holds a 40% interest. The exploration expenditures on the said properties were as follows: <table><tr><td>Crooks Township</td><td>-</td><td>\$37,246.46.</td></tr><tr><td>Scoble & Gillies Twps-</td><td></td><td>27,151.17</td></tr><tr><td>Malartic Township</td><td>-</td><td>7,227.46</td></tr><tr><td>Bousquet & LaPause</td><td>-</td><td>6,831.34.</td></tr></table> The Company has expended to date a total of \$4,499.37 on its Mahaffy Township property. In 1965 the Company performed an electromagnetic check survey on the 17 claim group in Joutel Township, Quebec. Because of the results 13 claims out of the above group were permitted to lapse, and the remaining 4 claims still are held. Expenditures to date of the Company on the Joutel Township property amount to \$2,545.00. The Company carried out a geophysical program and subsequently drilled four holes in its 12 claim property in Hart Township held under option. Because of negative results obtained, the option was dropped. The Company expended a total of \$2,739.08 on the Hart Township property. A geophysical survey was carried out on the jointly held claim groups in Abbotsford and Adair and Singer Townships, following an airborne survey by Keevil Mining Group. Expenditures to date in Abbotsford, Adair and Singer Townships are \$2,206.13 which does not include the cost of the diamond drill program which is presently being carried out. The Company also investigated property prospects in Poirier Township, Quebec, at a cost of \$1,313.85, in Gaudette Township, Ontario at a cost of \$759.00, in Lamotte Township, at a cost of \$1,109.47, and incurred \$260.25 by way of miscellaneous expenses, but no interest was acquired in any of the said properties.	Crooks Township	-	\$37,246.46.	Scoble & Gillies Twps-		27,151.17	Malartic Township	-	7,227.46	Bousquet & LaPause	-	6,831.34.
Crooks Township	-	\$37,246.46.											
Scoble & Gillies Twps-		27,151.17											
Malartic Township	-	7,227.46											
Bousquet & LaPause	-	6,831.34.											
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid	Not applicable.												
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.												
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	340,000 shares are held in escrow subject to release on the prior written consents of the directors of the Company, the Toronto Stock Exchange and the Quebec Securities Commission. An additional 85,000 shares are held in escrow subject to release on the prior written consent of the Quebec Securities Commission.												
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Tuina Enterprises Limited, - 425,000 88 University Avenue, Toronto, Ontario.												
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Jenkin Evans & Co. Limited, 360 Bay St. Toronto, Ontario. - 545,433 shs. Tuina Enterprises Limited, 88 University Ave. Toronto - 425,002 shs. W. R. Henderson, 103 Avenue Rd. Toronto, Ont. - 157,001 shs. Doherty, Roadhouse & McCuaig Bros. 335 Bay St. Toronto, Ontario - 106,914 shs. James Richardson & Sons., 173 Portage Ave. E. Winnipeg, Man. - 97,418 shs. NOTE: 425,000 of the shares registered to Tuina Enterprises Limited are escrowed shares. The signatories have no knowledge of the beneficial ownership of the remainder of the above shares.												
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The only person or Company holding sufficient shares to materially affect control is Tuina Enterprises Limited, 88 University Avenue, Toronto, a Company owned by Steven Low, 7 York Ridge Road, Willowdale, which Company, by obtaining the proxies of other substantial shareholders, is in a position to influence the election of Directors.												
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None.												
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.												

FINANCIAL STATEMENTS

SALEM EXPLORATION LIMITED (NO PERSONAL LIABILITY)
(Incorporated under the Laws of Quebec)

BALANCE SHEET

As at April 15, 1966

(Prepared from the books of account without audit)

ASSETS

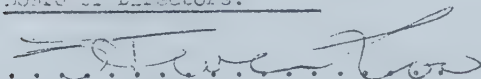
<u>Current Assets:</u>		
Cash . . .	212,588.52	
Advances: designated for exploration expenditures . . .	29,216.18	
Sundry receivable . . .	312.92	242,117.62
<u>Mining Claims (Note 1) . . .</u>		20,844.11
<u>Deferred charges, per statement . . .</u>		19,413.52

LIABILITIES

<u>Current Liabilities:</u>		
Accounts payable . . .		2,741.42
<u>Capital and deficit</u>		
<u>Capital Stock (Note 2)</u>		
Authorized:		
5,000,000 shares, par value \$1.00 each		
Issued and fully paid:		
2,840,010 shares (of which 903,000 shares were issued since Dec. 31, 1964, for \$271,200.00 cash) . .	2,840,010.00	
Less: discount . . .	2,158,363.87	
	681,646.13	
<u>Deficit, per statement . . .</u>	402,012.30	279,633.83
		282,375.25

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the
Board of Directors:

 (Director)

 (Director)

SALEM EXPLORATION LIMITED (NO PERSONAL LIABILITY)

NOTES TO FINANCIAL STATEMENTS

APRIL 15, 1966

NOTE 1:

The Company's mining claims consist of the following:

9 unpatented claims in Scoble and Gillies Townships, Ontario, at nominal value . . .	\$ 1.00
40% interest in 54 unpatented claims in Minnally Township, Porcupine Mining Division, Ontario, acquired for cash . . .	3,500.00
40% interest in 68 unpatented claims in Abbotsford, Adair and Singer Townships, Larder Lake Mining Division, Ontario, at cost of staking . . .	3,195.30
4 unpatented claims in Joutel Township, Quebec, acquired for cash . . .	1,647.00
72 unpatented claims in Earngoy Township, Red Lake Mining Division, Ontario, at cost of staking . . .	3,600.00
158 unpatented claims in Kenora Mining Division, Ontario, and Lac Du Bonnet Mining Division, Manitoba, Falcon Lake Area, at cost of staking . . .	8,900.81
	<u>\$20,844.11</u>

NOTE 2:

There is an outstanding option on all or any part of 97,000 shares of the Company's capital stock at 40 cents per share exercisable on or before June 22, 1966.

SALEM EXPLORATION LIMITED (NO PERSONAL LIABILITY)

STATEMENT OF DEFERRED CHARGES

For the period January 1, 1965 to April 15, 1966
(Prepared from the books of account without audit)

Exploration and development

Balance, January 1, 1965 . . . 83,031.71

Additions during period:

Consulting, geological and engineering fees . . .	2,300.00	
Diamond drilling . . .	570.97	
Geophysical surveys . . .	3,282.21	
Government fees and licenses . . .	1,059.00	
Assays and maps . . .	115.15	
Travel, transportation and accommodation . . .	938.34	
Supplies, repairs and small equipment . . .	784.55	
Telephone and telegraph . . .	298.80	
Investigation of property prospects . . .	<u>1,507.85</u>	<u>10,956.87</u>

93,888.58

Deduct:

Expenditures on mining claims and options abandoned, and on property prospects in which no interest acquired . . .	<u>84,638.08</u>	9,250.50
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Administration

Balance, January 1, 1965 . . . 42,300.27

Government fees and taxes . . .	413.25	
Transfer Agent's fees and expenses . . .	4,401.21	
Legal and audit . . .	2,159.20	
Shareholders' information . . .	379.80	
Shareholders' annual meeting expenses . . .	739.51	
Directors' fees . . .	450.00	
Office accommodation and facilities . . .	1,856.34	
Management, accounting and secretarial services . .	4,617.90	
Telephone and telegraph . . .	258.53	
Stock exchange fees and expenses . . .	1,315.37	
Printing and stationery . . .	187.77	
Miscellaneous . . .	<u>502.05</u>	<u>17,303.02</u>

59,603.29

Deduct:

Administrative expenditures apportioned to mining claims and options abandoned . . .	<u>49,440.27</u>	<u>10,163.02</u>
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TOTAL DEFERRED CHARGES, APRIL 15, 1966 19,413.52

SALEM EXPLORATION LIMITED (NO PERSONAL LIABILITY)

STATEMENT OF DEFICIT

For the period January 1, 1965 to April 15, 1966
(Prepared from the books of account without audit)

Balance, January 1, 1965 . . . 172,682.00

Additions during period:

Cost of mining claims and options abandoned . . .	95,120.35	
Exploration expenditures on mining claims and options abandoned, and on property prospects in which no interest acquired . . .	84,638.08	
Administrative expenditures apportioned to mining claims and options abandoned . . .	49,440.27	
Loss on sale of equipment . . .	<u>131.60</u>	<u>229,330.30</u>

Balance, April 15, 1966 402,012.30

SALEM EXPLORATION LIMITED (NO PERSONAL LIABILITY)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the period January 1, 1965 to April 15, 1966
(Prepared from the books of account without audit)

Source of funds

Sale of 903,000 shares of capital stock . . .	271,200.00	
Sale of equipment . . .	<u>500.00</u>	271,700.00

Application of funds

Exploration and development expenditures, per statement . . .	10,856.87	
Deduct: charges not involving an outlay of funds . . .	<u>319.25</u>	10,537.62
Administrative expenditures, per statement . . .		17,303.02
Mining claims and options . . .		<u>27,696.11</u>
		55,536.75
<u>Increase in working capital . . .</u>		<u>216,163.25</u>

Changes in working capital

Increase in current assets . . .	207,998.93
Decrease in current liabilities . . .	<u>8,164.32</u>
<u>Increase in working capital . . .</u>	<u>216,163.25</u>

Approved on behalf of the
Board of Directors:

 (Director)

 (Director)

ENGINEER'S REPORTS

Note: The following are excerpts from a report by R. Kidd, P.Eng., dated May 24th, 1966, on mining claims located in Earngey Township, Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

CONCLUSIONS

1. THE PROPERTY IS UNDERLAIN BY ROCKS OF THE SAME TYPE AS THOSE WHICH ARE HOST TO THE EARNGEY COPPER-NICKEL DEPOSIT AND THE UCHI GOLD MINE.
2. IT IS REASONABLE TO SUPPOSE THAT A CAREFUL GEOPHYSICAL INVESTIGATION OF THE PROPERTY MIGHT TURN UP FURTHER BASE METAL DEPOSITS. ACCORDING TO THE FILES OF THE ONTARIO DEPARTMENT OF MINES NO GROUND GEOPHYSICAL WORK HAS EVER BEEN RECORDED IN EARNGEY TOWNSHIP.
3. A PRELIMINARY SEARCH PROGRAM, INVOLVING ELECTROMAGNETIC AND MAGNETIC SURVEYS, PLUS FOLLOW-UP DIAMOND DRILLING, IS WARRANTED.

RECOMMENDATIONS

1. REMOTE SOURCE ELECTROMAGNETIC WORK PLUS MAGNETIC COVERAGE IS RECOMMENDED. PICKET LINES SHOULD BE LAYED OUT ACROSS THE LAND AREAS OF THE PROPERTY IN THE EAST-WEST DIRECTION AND AT 400 FOOT INTERVALS.
2. ALL GEOPHYSICAL ANOMALIES SHOULD BE CAREFULLY PROSPECTED. IF THIS FAILS TO UNCOVER THE REASONS FOR THE ANOMALIES

RECOMMENDATIONS (CONT'D)

THE MORE INTERESTING ONES SHOULD BE DRILLED.

3. THE WATER-COVERED AREAS OF THE PROPERTY SHOULD BE EXPLORED GEOPHYSICALLY NEXT WINTER, AFTER THE ICE FORMS, AND ANY NECESSARY DRILLING SHOULD FOLLOW BEFORE THE ICE GOES.

COST ESTIMATES

1. GEOPHYSICAL COVERAGE AND PROSPECTING:
(ELECTROMAGNETIC AND MAGNETIC)

LAND AREAS	\$ 13,500	
WATER-COVERED AREAS	<u>3,500</u>	
TOTAL =	\$ 17,000	\$17,000

2. DIAMOND DRILLING

2000 FEET AXT DRILLING @ \$6.00	12,000
(INCLUDING SUPERVISION AND TRANSPORTATION)	<u>12,000</u>
TOTAL =	<u>\$29,000</u>

Ross Kidd

TORONTO, ONTARIO
MAY 24TH, 1966

ROSS KIDD
MINING ENGINEER

CERTIFICATE

I, ROSS KIDD, OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, DO HEREBY CERTIFY THAT:

1. I AM A CONSULTING MINING ENGINEER RESIDING AT
15 LYNWOOD AVENUE, TORONTO 7, ONTARIO.
2. I AM A GRADUATE OF THE UNIVERSITY OF TORONTO IN
MINING ENGINEERING, 1949.
3. I HAVE BEEN PRACTISING MY PROFESSION SINCE GRADUATION.
4. I HAVE NO INTEREST, DIRECT OR INDIRECT, NOR DO I EXPECT
TO RECEIVE ANY INTEREST, DIRECT OR INDIRECT, IN THE
PROPERTY OR SECURITIES OF SALEM EXPLORATION LIMITED.
5. THE STATEMENTS CONTAINED IN THIS REPORT ARE BASED UPON
INFORMATION CONTAINED IN THE REFERENCES DESCRIBED UNDER
THE HEADING "GENERAL GEOLOGY".

Ross Kidd

TORONTO, ONTARIO
MARCH 24TH, 1966

ROSS KIDD, P. ENG.
MINING ENGINEER

Note: The following are excerpts from a report by R. Kidd, P.Eng., dated May 26th, 1966, on mining claims located in the Shoal Lake Area, Kenora Mining Division, Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

CONCLUSIONS

1. IT IS NOT YET KNOWN WHETHER OR NOT THE ADJOINING TEXAS GULF PROPERTIES HAVE ECONOMIC IMPORTANCE.
2. SINCE THE SALEM PROPERTIES ARE IN GOOD GEOLOGICAL SURROUNDINGS, IT WOULD SEEM PRUDENT TO CONDUCT A PRELIMINARY EXPLORATION PROGRAM ON THEM, BOTH TO INVESTIGATE THEIR POSSIBILITIES AND TO DO THE WORK NECESSARY TO KEEP THEM IN GOOD STANDING WHILE TEXAS GULF COMPLETE THEIR EXPLORATION PROGRAMS.

RECOMMENDATIONS

1. AN APPROACH SHOULD BE MADE TO TEXAS GULF ABOUT THE POSSIBILITY OF BUYING THE AERIAL GEOPHYSICAL DATA THEY HAVE COMPILED ON THE AREAS COVERED BY THE SALEM CLAIMS. IT IS NOT LIKELY THAT THIS WOULD BE SUCCESSFUL, BUT AN ATTEMPT IS JUSTIFIED BECAUSE OF THE USEFULNESS OF THIS INFORMATION AND ITS PROBABLY LIMITED COST.
2. IF THIS INFORMATION IS NOT FORTHCOMING, ARRANGEMENTS SHOULD BE MADE FOR AERIAL EM SURVEY OF THE SALEM CLAIMS, PREFERABLY BY CANADIAN AERO MINERAL SURVEYS LTD., ON AN OCCASION WHEN THEY ARE FERRYING THEIR AIRCRAFT TO ANOTHER JOB IN THE WESTERN PROVINCES.
3. THE AERIAL EM DATA SHOULD BE CAREFULLY STUDIED, AND GROUND CHECKS MADE OF THE MORE INTERESTING INDICATIONS. SINCE MANY OF THE CLAIMS ARE WATER-COVERED, THIS SHOULD BE DONE AFTER LAKE ICE FORMS.
3. DIAMOND DRILLING OF ANY FAVORABLE ANOMALIES SHOULD FOLLOW.

COST ESTIMATES

1. PURCHASE OF TEXAS GULF DATA - POSSIBLY NO CASH, AND AN INTEREST IN CLAIMS.
 2. AERIAL EM SURVEY (NO FERRYING) \$ 3,000
 3. GROUND CHECK WORK 7,000
 4. DIAMOND DRILLING 10,000
(2000 FT. @ \$5)
- TOTAL = \$20,000

Ross Kidd

CERTIFICATE

I, ROSS KIDD, OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, DO HEREBY CERTIFY THAT:

1. I AM A CONSULTING MINING ENGINEER RESIDING AT 15 LYNWOOD AVENUE, TORONTO 7, ONTARIO.
2. I AM A GRADUATE OF THE UNIVERSITY OF TORONTO IN MINING ENGINEERING, 1949.
3. I HAVE BEEN PRACTISING MY PROFESSION SINCE GRADUATION.
4. I HAVE NO INTEREST, DIRECT OR INDIRECT, NOR DO I EXPECT TO RECEIVE ANY INTEREST, DIRECT OR INDIRECT, IN THE PROPERTY OR SECURITIES OF SALEM EXPLORATION LIMITED.
5. THE STATEMENTS CONTAINED IN THIS REPORT ARE BASED UPON INFORMATION CONTAINED IN THE REFERENCES LISTED.

Ross Kidd

TORONTO, ONTARIO
MAY 26TH, 1966

ROSS KIDD, P. ENG.
MINING ENGINEER

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	(a) Last year the Company acquired by staking at a cost of \$3,752.00 67 unpatented mining claims in the Townships of Abbotsford and Adair, Larder Lake Mining Division of Ontario. (b) Last year the Company acquired from A.F. Bernier, Paul Rainville and Aurelle Lacelle of Sudbury and Noranda, for \$3,000. an option to purchase 12 unpatented mining claims in Hart Township, Sudbury Mining Division of Ontario. The option was subsequently dropped after the expenditure of \$2,739.08 in exploration. A finders fee of \$2,000. was also paid to Gaston Vezina of Noranda in connection with the option. (c) The Company recently acquired by staking at a cost of \$3,204.00 72 unpatented mining claims in Earngey Township, Red Lake Mining Division of Ontario. Government recording and staking fees of \$396.00 have resulted in a total acquisition cost for these claims in the amount of \$3,600.00. (d) The Company recently acquired by staking at a cost of \$8,900. 158 unpatented mining claims in the Falcon Lake Area of Ontario and Manitoba. (e) By agreement dated Mar. 7, 1966 the Company entered into a joint venture with Keevil Mining Group Limited, 11 Adelaide St. West, Toronto, Ontario. The property upon which the joint venture is based consists of 21 unpatented mining claims in Abbotsford and Singer Townships in the Larder Lake Mining Division of Ontario which were acquired by Keevil Mining Group Limited by staking. The said property together with further properties which may be acquired under the agreement are to be owned by Keevil and Salem in the ratio of 51% to 49% and Keevil is entitled to be the manager of any exploration carried out by the parties. Costs will be borne by the parties in the same proportion as their respective ownership in the claims and the carrying out of exploration work shall be done in accordance with budgets approved by both parties. In the event that an ore body is found on the property or in the event that there is a disagreement as to disposition of the property or as to exploration work a new company is to be incorporated and 80% of the authorized share capital is to be issued as vendor shares for the joint vendor properties, which vendor shares will be issued to Keevil and Salem in proportion to their interests in the properties. The shareholders of the new company will have pre-empted rights on further issues of shares. (f) By agreement dated March 10th, 1966 the Company entered into a second joint venture with Keevil Mining Group Limited. The property upon which this joint venture is based consists of 67 unpatented mining claims referred to in sub-paragraph (a) above in the Townships of Abbotsford and Adair. The interests of Keevil and Salem in the said properties is 51% for Keevil and 49% for Salem and the provisions for the operation of the joint venture are basically the same as the first joint venture agreement.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. Shares of the Company are in primary distribution.

CERTIFICATE OF THE COMPANY

DATED April 21st, 1966.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"S. Low"

Per: [Signature]

CORPORATE SEAL

"G. Winemaker"

Per: [Signature]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

JENKIN EVANS & CO. LIMITED

"D. L. Evans"

Per: [Signature]

"D. G. Jones"

Per: [Signature]

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 161.
FILED, FEBRUARY 6th. 1964.

SALEM EXPLORATION LIMITED (No Personal Liability)

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 988 dated September 10, 1963.

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	(i). To reflect sub-underwriting and option agreement with Duncan R. Derry Limited on certain treasury shares covered by the presently outstanding financing agreement. (iii) Acquisition by staking, option and purchase of additional mineral rights in the Township of Crooks, District of Thunder Bay.
4. Share capitalization showing authorized and issued and outstanding capital.	By virtue of the issue of 200,000 shares of the capital stock of the Company under the presently outstanding underwriting and option agreement dated September 10, 1963, the issued capital of the company is now 1,567,010 shares. Upon acceptance by the regulatory authorities having jurisdiction, a further 200,000 shares will be issued as part consideration for certain mining claims (see paragraph 11 hereof).
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Under the terms of an Agreement dated September 10th, 1963, between the Company and Draper Dobie & Company Ltd., 25 Adelaide St. W., Toronto, Ontario, acting on behalf of a client, the firm commitment of 100,000 shares of the capital stock of the Company has been taken down, together with the first option of 100,000 shares at 40¢ per share. Options presently outstanding on the remaining 300,000 shares are as follows: 200,000 shares at 45¢ per share and 100,000 shares at 50¢ per share payable on or before April 29th, 1964, and July 29th, 1964, respectively.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Duncan R. Derry Limited, 25 King St. W., Toronto, Ontario, all of whose issued shares are owned or controlled by Dr. Duncan R. Derry, 25 King St. W., Toronto, Ontario, has by Agreement dated the 17th day of January 1964, purchased from Cobra Investments Limited 25,000 shares of the capital stock of the Company at 40¢ per share, which shares comprised part of the first option of 100,000 shares mentioned in 6 hereof, and in consideration thereof has been granted a sub-option on 25% of the remaining instalments, comprising 200,000 shares at 45¢ per share and 100,000 shares at 50¢ per share, exercisable when these options fall due, subject to acceptance for filing by the Toronto and Canadian Stock Exchanges and by the Quebec Securities Commission of an amendment to the Company's current prospectus.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company has acquired by staking, option and purchase a substantial number of mining claims and mining rights in the Township of Crooks, in the District of Thunder Bay. The Company contemplates an intensive program of exploration thereon in accordance with the recommendations contained in the Report of Gordon W. Moore, dated January 21st, 1964, accompanying this Amending Filing Statement.
10. Brief statement of company's chief development work during past year.	The Company has performed some preliminary field exploration on its Crooks Township claims, including a programme of diamond drilling, geochemical testing and surface exploration at a cost to date of \$15,192.00. The cost of the Company's preliminary exploration upon the property held under option in Scoble Township to date is \$27,053, including preliminary diamond drilling, geophysical surveying and surface exploration.

FINANCIAL STATEMENTS

SALEM EXPLORATION LIMITED
(No Personal Liability)

Source and Application of Funds

for period

1st September, 1963 to 12th February, 1964

Cash on hand at 31st August, 1963 \$ 4,271.39

Receipts

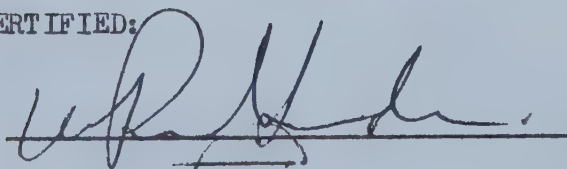
From sale of treasury shares 80,000.00
84,271.39

Expenditures

Accounts Payable (31st August)	\$ 3,421.04	
Purchase and Option Payments on Properties	13,958.35	
Development Expense	30,353.72	
Administration Expense	12,411.80	
Advances for expenses	<u>698.47</u>	\$ <u>60,843.38</u>

Cash on hand at 12th February, 1964 \$ 23,428.01

CERTIFIED:

 Director

 Director

ENGINEER'S REPORT

Note - The following are excerpts from a report by G.W. Moore, B.Sc., P.Eng., dated January 28th, 1964, on the mining claims located in Crooks Township, Thunder Bay Area, Province of Ontario. A complete copy of this report is on file at the Toronto Stock Exchange.

A REPORT ON

SALEM EXPLORATION LIMITED'S CLOUD LAKE PROPERTY,

CROOKS TOWNSHIP,

THUNDER BAY MINING DISTRICT, ONTARIO.

FOREWORD:

Occurrences of amygdaloidal lava, most of them known to be "float" rather than actual outcrops, have been reportedly found over the years in different parts of the general Cloud Lake area. It has been noted that this lava is very similar to that of Keewanaw Point on the south shore of Lake Superior where the largest native copper mines in the world are located.

Old Provincial and Federal Geological Reports show that, since about 1880, the presence of a sizeable occurrence of amygdaloidal lava carrying very interesting native copper mineralization has been known. This occurs on a westerly sloping hillside in the northwest corner of Crooks Township. Evidently, very few engineers or geologists have examined this lava occurrence in past years probably for the following reasons:-

1. Geological maps of the general area southwest of the Lakehead do not indicate the presence "in place" of any such amygdaloidal lava.
2. The large lava occurrence in the northwest corner of Crooks Township is extremely hard to find without a guide to lead one directly to it.
3. The ground on which this lava is located had been held for many years in the estate of a Lakehead lumberman.

In mid-November, 1963, a search of the property titles in that area by Salem employees revealed that the ground on which this lava occurred was open for staking. Salem, therefore, during the period November, 1963, to January, 1964, has acquired eighty-six (86) mining claims by staking, option or outright purchase as listed under "Property" later in this report.

CONCLUSION AND RECOMMENDATIONS:

Due to the lateness of the season when the ground was acquired by Salem, very little preliminary field exploration of the claims was possible before the snow arrived.

A small amount of geochemistry (soil sampling) was done before the ground froze and about one hundred (100) samples were taken in the vicinity of the main lava occurrence. It was found that the Holman field soil sampling cold extraction test for copper did not work in the case of native copper so the samples were assayed by hot extraction in Toronto. These results are now at hand, and while these results are inconclusive, they seem to show some anomalous assay values from 5 to 12 times background especially immediately south of the lava mound for a distance of about 70 feet.

It was decided to explore and sample the main lava occurrence by a series of short diamond drill holes paying special attention to core recovery due to the shattered condition of the rock. Accordingly, eleven short holes were drilled in December, 1963, for a total of 437 feet. These holes were mostly drilled at a flat angle

across the lava mound. Two holes near the north end of the mound got very interesting native copper intersections described later in this report. All the lava core recovered showed some copper to be present although, except for the aforementioned two holes, assays of core from the other holes only ran from about 0.03% to .15% in copper. It is hoped that the fact that all the lava contained some copper may be of some interesting significance.

Seeing that the depth of overburden in this area is not known and that no rock outcrops have yet been found on the property for at least $\frac{1}{4}$ of a mile from the main lava occurrence, it is felt that some geophysical tests for depth of overburden should be carried out before any effort is made to check by diamond drilling the possibility of such lava occurring in place under this widespread mantle of overburden.

It is recommended that a series of geophysical overburden depth tests be made starting at the main lava occurrence and testing on a two to four hundred foot interval grid spacing depending on the results obtained in the first few tests and as the tests proceed.

It is suggested that this work be followed up by probing the rock underlying this overburden by means of a series of shallow vertical diamond drill holes drilled on a similar grid pattern. The spacing of this grid would also depend on the results of the first few holes.

It is further suggested that a careful search be made over the entire Salem property and its vicinity for all lava boulders and other rocks of Keewanawan age such as reportedly found by Dr. A. P. Coleman in this area in 1900 as quoted later in this report. This work should be supervised by an experienced geologist preferably one who is well versed in glacialogy.

DIAMOND DRILLING: (See attached map)

As mentioned earlier in this report under "History", it was decided to examine this lava occurrence more thoroughly and sample the native copper zone by means of a series of short diamond drill holes.

In December, 1963, eleven short holes were drilled for a total footage of 437 feet.

Two of these holes, Nos. NC-4 and 5 were drilled at shallow dips so as to sample the main copper zone. Both holes encountered very good native copper mineralization with hole NC-4 cutting chunks of native copper up to 1" diameter as well as the finer amygdule filling of copper and finely disseminated specks of copper.

The assay results of these two holes are as follows:

<u>Hole No.</u>	<u>Depth</u>	<u>Feet</u>	<u>% Cu</u>	<u>Ozs. Ag</u>
NC-4	20.0 - 25.0	5.0	20.5	0.75
"	25.0 - 27.0	2.0	0.07	
"	27.0 - 29.0	2.0	0.03	
"	29.0 - 34.0	5.0	0.07	

<u>Hole No.</u>	<u>Depth</u>	<u>Feet</u>	<u>% Cu</u>	<u>Ozs. Ag</u>
NC-4	34.0 - 36.0	2.0	0.05	
"	36.0 - 40.0	4.0	0.05	
NC-5	20.5 - 25.0	4.5	8.15	0.21
"	25.0 - 27.0	2.0	0.20	
"	27.0 - 30.0	3.0	0.06	
"	30.0 - 40.0	10.0	0.06	

The other holes were mainly quite flat dipping outside of holes NC-1 to 3 which were 40 to 60° dip and encountered mainly overburden.

It is of interest to note that all holes carried some copper in the core with no "nils" or "traces" being received from the assays and few .01's or 0.02's. Hole 9 got 0.14 over five feet and hole 11 got 0.11 over five feet. The sludge from the bottom hole 11 from 30 to 39 feet is also interesting as it ran 0.13% Cu over five feet followed up by 0.14% over four feet. It is my belief that the drillers incorrectly reported this part of hole 11 having broken into overburden.

The drilling proved that this mound did not consist of a group of large boulders but rather of a substantial continuous piece of lava at least 100 feet long by 40 feet wide and 10 to 15 feet thick. Whether it is close to bedrock or whether the bedrock under it is also lava has yet to be determined.

It is planned to conduct a series of geophysical tests, using the hammer-seismic method to determine the depth of the overburden in this immediate area before searching for the source of the lava mound by means of more diamond drilling.

This work is planned for the immediate future.

C E R T I F I C A T E.

I, GORDON W. MOORE, do hereby certify:

1. That I am a Mining Engineer practising as such with my office at Suite 1905, 7 King Street East, Toronto, Ontario, in which City I also reside.
2. That I am a graduate of the Nova Scotia Technical College, Halifax, Nova Scotia; Bachelor of Applied Science in Mining Engineering, 1927.
3. That I am a member of the Association of Professional Engineers of Ontario.
4. That I have carried out the practice of Mining Engineering, specializing in field exploration, continuously since 1927 with the exception of the years 1941 - 45 when I served as Armament Officer in the Royal Canadian Air Force.
5. That this report is based on many visits to the Salem Cloud Lake property in November and December, 1963, and on the fact that I personally organized and supervised all exploration work done on that property to date by Salem.
6. That I have no interest either directly or indirectly in the properties or securities of Salem Exploration Limited nor do I expect any interest from them.

DATED AT TORONTO
this 28th day of
January, 1964.

Gordon W. Moore

GORDON W. MOORE, B.Sc., P.Eng.,
Consulting Mining Engineer.



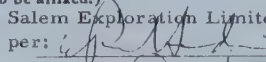
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	The Company has agreed to purchase from John H. Kenney, 55 Broadway Avenue, Toronto, Ontario, a group of 14 mining claims in the Township of Crooks, being claims Nos. TB109948 to 61 inclusive, for the sum of \$2,000.00 and the allotment and issue of 200,000 shares of the capital stock of the Company, subject to such terms of escrow as may be imposed by the Toronto Stock Exchange, Canadian Stock Exchange and the Quebec Securities Commission. By Agreement dated the 15th day of January, 1964, with Max Hurtig, Mariaggi Hotel, Port Arthur, Ontario, (hereinafter called "Hurtig"), in consideration of the payment of \$5,000.00, the Company acquired the right to enter upon and explore the following lands in Crooks Township, described as : <table><tr><td>West $\frac{1}{2}$</td><td>Lot 3</td><td>Concession I</td></tr><tr><td>E $\frac{1}{2}$ and SW $\frac{1}{4}$</td><td>Lot 4</td><td>Concession I</td></tr><tr><td>West $\frac{1}{2}$</td><td>Lot 4</td><td>Concession II</td></tr><tr><td>East $\frac{1}{2}$</td><td>Lot 5</td><td>Concession I</td></tr><tr><td>East $\frac{1}{2}$</td><td>Lot 5</td><td>Concession II</td></tr><tr><td>SE $\frac{1}{4}$</td><td>Lot 3</td><td>Concession IV</td></tr></table> and to dispose of same to a company or companies which may be formed to acquire the said interest. In the vendor consideration of 900,000 shares to be issued by such company or companies, 50% would issue to the Company and the balance of 50% to Hurtig. The rights of the Company are for a period of 12 months and thereafter terminable on three months' notice. Hurtig has undertaken to use his best endeavours to secure the surface rights to the properties under option (save and except the south-east quarter of Lot 5, Concession I, and the north-east quarter of Lot 5, Concession II) for the sum of \$2,000.00. The said sum has been placed in escrow with Hurtig's solicitor to be delivered against execution and delivery from the owners of such surface rights. These owners are unknown to the signatories. The following claims have been staked by the Company: 8 claims in Crooks Township, District of Thunder Bay, Port Arthur Mining Division at a cost of approximately \$300.00, more particularly described as Claim Nos. TB109924 to 31 inclusive being the North half of the Northwest quarter of Lot 3, Concession II; Northeast quarter of Lot 3, Concession II; and North half of Northwest quarter of Lot 2, Concession II.	West $\frac{1}{2}$	Lot 3	Concession I	E $\frac{1}{2}$ and SW $\frac{1}{4}$	Lot 4	Concession I	West $\frac{1}{2}$	Lot 4	Concession II	East $\frac{1}{2}$	Lot 5	Concession I	East $\frac{1}{2}$	Lot 5	Concession II	SE $\frac{1}{4}$	Lot 3	Concession IV
West $\frac{1}{2}$	Lot 3	Concession I																	
E $\frac{1}{2}$ and SW $\frac{1}{4}$	Lot 4	Concession I																	
West $\frac{1}{2}$	Lot 4	Concession II																	
East $\frac{1}{2}$	Lot 5	Concession I																	
East $\frac{1}{2}$	Lot 5	Concession II																	
SE $\frac{1}{4}$	Lot 3	Concession IV																	
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	To the knowledge of the signatories, the said John H. Kenney and Max Hurtig are the only persons having a greater than 5% interest in the vendor consideration received or receivable by them.																		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	25,000 of the shares in escrow have been released, leaving a balance of 225,000 shares held by the Guaranty Trust Company of Canada. Upon acceptance of an amending filing statement by the Canadian and Toronto Stock Exchanges and an amendment to the Company's prospectus by the Quebec Securities Commission, a further 180,000 shares will be deposited in escrow.																		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	John H. Kenney, 55 Broadway Avenue, Toronto, will be the beneficial owner of the escrowed shares referred to in Item 13 above.																		
Statement of any other material facts and if none, so state.	There are no other material facts. Shares taken down and paid for pursuant to the Underwriting and Option Agreement dated September 10th, 1963 and the sub-underwriting and option agreement referred to in Item 7 hereof will be in the course of primary distribution to the public.																		

DATED January 30th, 1964.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"W.R. Henderson"

Salem Exploration Limited, CORPORATE
per:  SEAL

"S. Taylor"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

Draper Dobie & Company Ltd.,
per: 

"G.W. Gooderham"

"D.J. Coulter"

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS AMENDING FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS AMENDING FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 274.
FILED, APRIL 29th. 1964.

SALEM EXPLORATION LIMITED (No Personal Liability)

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement 1267, dated February 23, 1965.

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	(1) Underwriting and optioning of shares of the Company. (2) Acquisition of mining claims.		
2. Head office address and any other office address.	Head Office:- Suite 914, 1155 Dorchester Blvd. West, Montreal, Q. Executive Office:- 9th Floor, 88 University Avenue, Toronto, Ontario.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Director	Steven Low 7 York Ridge Road Willowdale, Ontario	Mining Executive
	Vice-President and Director	Wilfred A. Curtis, Jr. 8 Lafayette Place Thornhill, Ontario	Insurance Executive
	Secretary-Treasurer and Director	Hector Hugh Colgan 39 Rosburn Drive Etobicoke, Ontario	Corporate Secretary
	Director	Lorne B. Halladay 65 Broadway Avenue Toronto, Ontario	Mining Engineer
	Director	Rosalyn Thorpe 88 Edith Drive Toronto, Ontario	Secretary
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By agreement dated the 15th day of March, 1965, Jenkin, Evans & Company Limited, acting for a client, agreed to firmly purchase 200,000 shares of the Company at 25 cents per share payable on the effective date, and obtained an option to purchase an additional 800,000 shares in blocks of 200,000 shares at 25 cents, 30 cents, 35 cents and 40 cents per share respectively, to be taken up and paid for at the rate of a minimum of 200,000 shares every three months. The effective date is the date upon which all of the following conditions have been complied with: (a) acceptance of this amending filing statement by the Toronto Stock Exchange; (b) acceptance of this amending filing statement by the Canadian Stock Exchange; (c) either acceptance of a prospectus of the Company by the Quebec Securities Commission or the granting by the Quebec Securities Commission to the Company of an exemption from registration of a prospectus.		
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Tuina Enterprises Limited, 9th Floor, 88 University Avenue, Toronto, Ontario. The only person owning a greater than 5% interest in Tuina Enterprises Limited is Steven Low, 7 York Ridge Road, Willowdale, Ontario, who is also the President and a Director of the Company.		

FINANCIAL STATEMENT

SALEM EXPLORATIONS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE PERIOD FEBRUARY 16 to MARCH 15, 1965

(Prepared from the Books of the Company without audit)

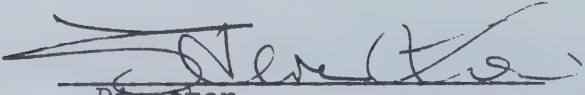
Source of Funds

Decrease in Working Capital			
Working Capital February 15, 1965:			
Current Assets	\$26,407.17		
Less Current Liabilities	<u>48.96</u>	\$26,358.21	
Working Capital March 15, 1965			
Current Assets	24,372.47		
Less Current Liabilities	<u>48.96</u>	<u>24,323.51</u>	\$2,034.70

Application of Funds

Administration Expense			
Filing Fees		350.00	
Legal Fees		1,599.70	
Director's Fees		75.00	
Miscellaneous		<u>10.00</u>	2,034.70

Approved on behalf of the Board:



Director



Director

ENGINEER'S REPORT

Note-The following are excerpts from a report by W.F. Morrison, B.Sc., P.Eng., dated March 15th, 1965, on mining claims located in Joutel and Valrennes Townships, Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

INTRODUCTION

This report deals with the general geology and economic possibilities of a group of mining claims under consideration for acquisition by Salem Exploration Limited. The seventeen claims form a block of approximately 680 acres located one quarter of a mile north of the Harricanaw river where it crosses the common boundary of Valrennes and Joutel townships, Quebec. This locality is roughly 95 miles north north-east of Noranda Quebec in the Joutel mining area. The developments of the past five years have established the area as a base metal camp. More recent developments on the Equity Exploration Limited property have established some possibility that gold deposits may occur in another mineralized horizon which is located about three miles to the south of the claims under consideration. However, until the validity of current conflicting reports regarding the economic significance of these recent gold discovery is established it is recommended that acquisition of the claims be postponed.

THE PROPERTY

The property consists of 17 contiguous mining claims of approximately 40 acres each located on the common boundary of Joutel and Valrennes townships about six miles north of their southern boundaries. The 17 claims are numbered:

217154-4
217155-3-4
217156-1-2-3-4
217157-1-2-3-4
217158-1-2-3-4
217167-1-2

LOCATION AND ACCESS

The property may be reached by light aircraft from Senneterre, Quebec landing on the Harricanaw river near the township line, or by road from the Amos Quebec to the Mines de Poirier property which is a branch road from the highway to Mattagami Lake Mines.

PROPERTY GEOLOGY

Little is known of the geology underlying the claims. The aeromagnetics over this part of Joutel township are of comparable intensity to those covering an area in the north-west and central parts of Poirier township which adjoins Joutel on the south. The writer examined the recent geological mapping of this part of Poirier township conducted by one of the active mining companies in the area. The rock types here are largely volcanic with compositions from acid to basic. On this basis it is assumed that somewhat similar formations underlie the claims of the property and surroundings.

The results of a geophysical survey using long wire electromagnetic technique indicated several uninteresting anomalies, having west-north-west trends. It is not known if these were followed up by diamond drilling.

ECONOMIC GEOLOGY

Two proven copper zinc deposits are located in the south part of Joutel and north part of Poirier townships. About three miles to the south of the claim group on the property of Equity Explorations Limited, a gold deposit has been partially explored by surface diamond drilling. The results of their most recent work was published in Northern Miner. This presentation showed very encouraging indications of an economic deposit of gold ore being developed. However, more recently the press has published very conflicting reports regarding the authenticity of some of the earlier published assay results. Admittedly this has no direct bearing on the economic possibilities of the claims being reported on.

But if the results from the Equity property are not as favourable as they were originally reported, then the general area loses a great deal of its interest as a locality in which to do grass root exploration.

Respectfully submitted,



W.F. Morrison

W.F. Morrison, B.Sc., P.Eng.

REFERENCES

1. Canada Department of Mines and Resources Map number 554A - Gale River Sheet.
2. Canada Department of Mines and Technical Surveys Aeromagnetic Map No. 521 G.

C E R T I F I C A T E

I, WILLIAM F. MORRISON, of the City of Toronto,
County of York, Province of Ontario, hereby certify:

1. That I am a Mining Geologist residing in Toronto, Ontario.
2. That I am a graduate of the University of Manitoba with a degree of Bachelor of Science in Geology, 1938, and have been practising my profession for 20 years.
3. That I am a Registered Professional Engineer of the Province of Ontario.
4. That I have no interest either directly or indirectly in the property covered by this report nor in the securities of Salem Explorations Limited, nor do I expect to receive any such interest.
5. That the accompanying report is based on examination of published reports and maps of the area in which the property is situated.

Dated at Toronto, Ontario, this 15th day of March, 1965.

W.F. Morrison

W.F. Morrison, B.Sc., P.Eng.



PROVINCE DE QUÉBEC

MINISTÈRE DES

RICHESSES NATURELLES

9/3/65

9/3/65,

Claims miniers en date du.

$$1'' = 40 \text{ CHS.}$$


9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	If the Company acquires the mining claims referred to in Item 11 hereof, it intends to carry out an exploration and development program thereon as recommended by the Company's engineer.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	By an agreement dated the 5th day of March, 1965, as amended by agreement dated April 2, 1965, made between Gaston Vezina of the Town of Noranda, Quebec, and Tuina Enterprises Limited, Tuina, acting for and on behalf of the Company, agreed to purchase one unpatented mining claim in Val Rennes Township, Province of Quebec, and sixteen unpatented mining claims in Joutel Township, Province of Quebec (one contiguous block) for \$7,000 payable within 48 hours of the effective date, the effective date being the date when all of the following conditions have been fulfilled, namely: (1) Acceptance of this amending filing statement by the Toronto Stock Exchange; (2) Acceptance of this amending filing statement by the Canadian Stock Exchange; (3) Acceptance of a prospectus of the Company by the Quebec Securities Commission or the Company obtaining from the Quebec Securities Commission an exemption from filing a prospectus.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	(1) To the knowledge of the signatories hereto, Gaston Vezina of the Town of Noranda, Quebec, is the only person who will receive a greater than 5% interest in the purchase price of \$7,000.00.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The underwritten and optioned shares referred to in Item 6 hereof when taken down and paid for will be in the course of primary distribution. There are no other material facts.

DATED March 15, 1965

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

SALEM EXPLORATION LIMITED (No Personal Liability)

"S. Low"

[Signature] CORPORATE SEAL

"H.H. Colgan"

[Signature] President

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

"J. Evans"

[Signature] PER

"D.G. Jones"

[Signature]